Jason

Jason Marine Group Limited

Channelling Growth

Annual Report 2010

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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.

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Contents

Channelling Growth

Since our humble beginnings in 1976, Jason Marine has presented a story of growth. Growing from a small repairer of marine electronics equipment into a leading integrator of marine electronics systems. Growing from a modest business in Singapore into a regional player with offices in People's Republic of China (PRC), Indonesia, Malaysia, South Korea and Thailand. Growing from a sole proprietor into a listed company with a global clientele. Growing through a select array of channels – diversification of industry, revenue streams, geography and suppliers.

In its 34 years of history, Jason Marine has triumphed time and again even in the most challenging environments. We were able to hone our business model and develop sound management principles that helped guide us through the recent global economic downturn. Fortitude, clarity of vision and sheer hard work made it possible for Jason Marine to ride out the storm and maintain our position as a leading provider of marine electronics equipment and one-stop solutions.

Still, despite this success, we are constantly looking to set new standards and expand our business in order to stay ahead of the game. With the heightened profile gained from our IPO, and backed by an astute management and the world-class service that have converted even the most exacting clients, we can stride confidently into all-new territories as we direct our efforts towards *Channelling Growth*.

Corporate Profile

Jason Marine Group Limited (Jason Marine or the Group) is a leading marine electronics systems integrator and support services provider with a global clientele. An expert in marine communication, navigation and automation systems, the Group offers one-stop solutions that span design, supply, integration, installation, testing, commissioning and maintenance. Jason Marine also sells satellite airtime services to complement its communications business.

The Group carries a wide variety of supplies from renowned manufacturers. The Group's track record of consistently delivering on time has anchored its position as one of the leading players in the industry in Singapore.

Established in 1976, the Group has forged strong relationships with a global clientele from the marine and offshore oil and gas (O&G) industries. Headquartered in Singapore, Jason Marine has since expanded into Indonesia, Malaysia, the PRC, Thailand and South Korea. Its growing presence in key shipbuilding markets in North Asia enables it to move in quickly to secure new businesses.

Our Business

Sale of Marine Communication, Navigation and Automation Systems

Jason Marine designs, supplies, integrates, installs and commissions a comprehensive range of radio and satellite communication, navigation, and marine automation systems for the marine and O&G industries.

a. Communication
   Communication systems include onboard voice communications such as walkie-talkie and public address system, vessel-to-vessel communications, ship-to-land communications, data transfer and internet connections.

b. Navigation
   Navigation systems include Global Positioning Systems (GPS), compasses as well as other devices for chartering a ship's position and controlling a vessel's course of movement.

c. Automation
   Automation systems are tools used to monitor and control a ship's electronics systems and machinery, such as alarms, ballast control and power management. These are essential in assisting crew members as there are usually a limited number of them onboard to monitor all of the vessel's electronic systems.

Rendering of Maintenance and Support Services

Jason Marine provides extensive maintenance and support services. The rendering of services include repairs, troubleshooting and replacement of faulty parts as well as statutory radio survey and annual performance test for marine electronics, on behalf of recognised maritime authorities, to certify vessel seaworthiness.

The Group also offers system warranty coverage to its customers and provide operational and maintenance training to its customers' personnel. Jason Marine operate a certified service centre for Thrane & Thrane in Singapore and an authorised service centre for Raytheon Anschütz in the PRC.

Sale of Airtime Services

Jason Marine provides bandwidth ("airtime") for the satellite communication systems distributed by the Group and other distributors. The airtime is used by ships for high quality direct-dial voice, communication, facsimile, data transfer, telex, e-mail and high-speed internet connections.

Vision, Mission, Goals and Values

Our Vision

To be a Global World-class Company in the Marine Electronics Industry

Our Mission

To Delight Customers and Develop People

Our Goals

To Our Customers, We are their Preferred Supplier
To Our Principals, We are their Preferred Partner
To Our Staff, We are their Preferred Employer
To Our Society, We are their Preferred Corporate Citizen

Our Values

Character: Integrity, Positive Attitude, Responsibility, Discipline, Reliability, Enthusiasm
Competence: Innovative, Striving for Excellence, Experienced, Professionalism
Commitment: Perseverance, Teamwork, Customer Satisfaction, Continuous Learning, Striving for Improvement

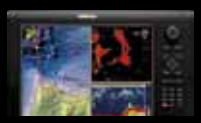
Character is the fundamental basis of being a competent and committed staff of the Jason Group. We believe if a person has the right attitude, he or she can be nurtured to be a competent team member.

Our Principals

Thrane & Thrane is the world´s leading manufacturer of equipment and systems for global mobile communication based on sophisticated satellite and radio technology. **Thrane & Thrane** provides equipment for maritime, land-based and aeronautical use.

Sea Tel is the World Leader in Marine Stabilized Antenna Systems for Satellite Communications (two-way communications), Satellite Television-at-Sea and Internet-at-Sea Services.

SAMYUNG ENC is a specialized manufacturer of land-based communication equipment and maritime navigation, communication equipment and fishing aids.



Navico as a house of brands, is well-positioned in the maritime electronics with a differentiated and compelling offering spanning almost all marine industry segments, from small leisure boats through to professional vessels.

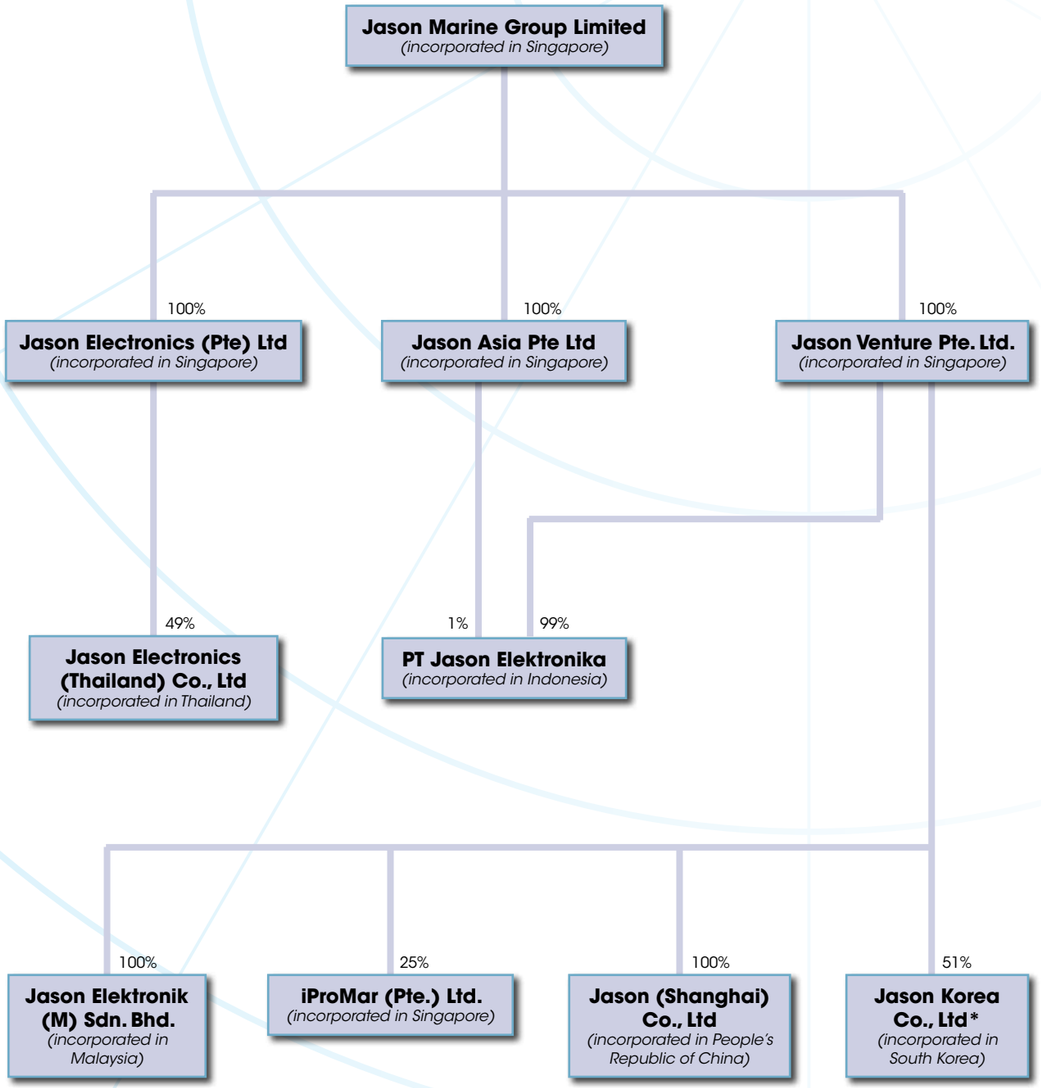
Koden Electronics offers a wide range of marine electronics equipments, such as Marine Radars, Echo Sounders, Plotter Sounders, Chart Plotters, Sonar, GPS navigator, GPS compass, GPS sensors.

Jotron's products have consistently been at the cutting edge of safety communication equipments for wide range of maritime applications.

Navis Engineering OY is a leading developer and supplier of high-quality computer-based ship dynamics, automation and control systems.

Being one of the leading suppliers of Integrated Bridge Systems (IBS), **Raytheon Anschütz** developes and produces all the essential components for safe ship navigation, from the gyro compass and autopilot to radars and ECDIS. All system delivered are meticulously tested.

Corporate Structure



* Incorporated in April 2010

From 1976 till present, Jason Marine has steadily emerged as a leading provider of marine equipment based in Singapore. With the help of diversification and astute management skills, the Group has displayed continuous growth and prosperity – an indication of our potential to be a world-class player in the marine industry in time to come.

Once upon a time...

1976
Established Jason Electronics to provide repair services for marine electronics equipment on board vessels in Singapore.

Set up headquarters at a 500 sq feet Tan Boon Liat Building.

1978
Started to supply marine electronics equipment.

Early 1980s
Acquired distributorship of 2 renowned international marine electronics product providers, Anritsu Electronic Works Ltd of Canada and Shipmate AS of Denmark.

1981
Moved into 2260 sq ft factory premises at 2 Alexandra Rd, Delta House.

Due to Jason Marine's expansion with new distributorships, we recognized S$1 Million in revenue for the first time.

Early 1990s
Repositioned ourselves as a one-stop solution provider of marine communication, navigation and automation systems.

1992
Jason Marine earned S$10 Million in revenue.

1996
Shifted headquarters and warehouses to a 9214 sq feet Pantech Business Hub to accommodate our expanding business volume.

Was also awarded the ISO 9002:1994 Quality System by Det Norske Veritas in the same year.

1997
Set up our first representative office in Jakarta, Indonesia.

1999
Established our second representative office in Shanghai, the PRC.

Became an established distributor after acquiring the distributorship of other global brands of marine electronics products such as Sea Tel, Inc. (1998), Thrane & Thrane A/S (1999) and Raytheon Anschütz GmbH (1999).

2000
Accredited as the certified service centre for Thrane & Thrane A/S in Singapore and the authorised service centre for Raytheon Anschütz GmbH in the PRC.

Was awarded Singapore SME 500 (sales ranked 148, net profit ranked 47) by DP Information Network Pte Ltd.

2001
Our first project for a semi-submersible oil rig at Jurong Shipyard.

2002
Awarded Singapore Quality Class, the Accreditation of ISO 9001:2000 by Spring Singapore.

Singapore SME 500 (sales ranked 218, net profit ranked 71) by DP Information Network Pte Ltd.

2004
Presented with a Singapore Health award (bronze) from the Health Promotion Board.

Ranked 33rd in the Enterprise 50 award competition.

Received the Singapore Family Friendly Employer Awards.

Certificate for Employers by the Ministry of Home Affairs in recognition of commendable contribution towards National Service.

Singapore SME 500 (sales ranked 177, net profit ranked 117).

Total of 54 employees.

2005

Awarded the Singapore Health Award (Silver) by the Health Promotion Board.

Certificate for achieving the requirements of the SPRING standards on Business Continuity Management.

Recognised S$25 Million in revenue mainly due to its overseas ventures.

2006

Given the Singapore Health Award (Silver) as well as Award For Employees by the Ministry of Home Affairs in recognition of commendable contribution towards National Service.

Our first FPSO project at Keppel Shipyard.

Total of 105 employees.

2007

Received the Home Team NS Awards for Employers from the Ministry of Home Affairs in recognition of outstanding contribution towards National Service.

Expanded our Company into Thailand.

Invested in a 10% stake in Penta Electromec Private Limited (Indian company electrical and electronics equipment solutions to the marine industry).

2008

Increased our office and warehouse area to a combined area of approximately 11,980 sq feet at Pantech Business Hub.

Surpassed S$50 Million in revenue.

Invested in e-MLX Co., Ltd (Korean company in the hydrography and navigation business).

PT Jason was established in Indonesia for import trading and management and business consulting services.

2009

Received the accreditation of ISO 9001:2000 Management System from Det Norske Veritas.

Invested in 10% stake in Guangyuan Communication and Navigation (PRC Company in the communication, navigation and electronics equipment business).

Surpassed S$5 Million in profits.

Installation of the world's first FleetBroadBand 150 at the Jalan Brigjen Katamso shipyard in Batam, Indonesia.

Jason Marine debutted on the Catalist board of the SGX-ST in a move to further advance our ambition to be a world-class player.

Received the Singapore Compact CSR Recognition Award.

2010

Expanded into South Korea, one of the world's largest shipbuilding nations, via a joint venture with e-MLX Co., Ltd.

Mr Foo Chew Tuck
Executive Chairman

"We have every faith in Jason Marine and its ability to scale new crests, so we invite new stakeholders to come on board and join us as we set out on this latest voyage."

Dear Shareholders,

Over the past three decades, Jason Marine has worked steadily to establish itself as a player to be reckoned with in the marine and offshore oil & gas industries. Today, it is recognised as a leading provider of integrated solutions for marine electronics systems based in Singapore that is renowned for its efficacy and reliability, earning the Group support from a global clientele. Jason Marine is a company where we are honoured to present here to new and old investors alike – in our very first annual report since making our debut on the Catalist board of the Singapore Exchange in October last year.

We have a long track record of delivering best-of-breed solutions to our clients, who have come to rely on our ability to meet and often exceed their rigorous demands. Going public will allow us to serve them even more effectively, as well as explore brand-new avenues for expansion. As the first marine electronics business to be listed in Singapore, Jason Marine attracted interest from investors keen to gain exposure to this niche industry, which saw the initial public offering subscribed by more than 21 times.

The listing has served as an invaluable platform for enhancing the Group's profile and will help us take the business forward into exciting new territories. The crisis did take its toll on the Group, but our concerted efforts to diversify our business and intensify internal management controls have paid off, leaving us armed to tackle fresh challenges as we head into our next phase of growth.

FY2010 – A Challenging Year

The year proved to be a difficult one for Jason Marine as the global economic downturn threatened businesses worldwide and exerted heavy downward pressure on the shipbuilding industry. With fewer newbuild deliveries, demand for our marine electronics products took a hit. Apart from the fall in newbuilds, demand was also affected when clients postponed plans to replace or retrofit electronics systems on existing vessels.

As a result, the Group's revenue fell from S$70.9 million to S$51.5 million, down 27% for the year ended 31 March 2010 (FY2010). That brought Profit After Tax and Minority Interest (PATMI) down from S$6.4 million to S$4.3 million, a drop of 33%.

Nevertheless, the Group managed to ride out the storm. Gross profit margins for all our business segments improved from levels in FY2009 – an encouraging sign that affirms the robustness of our business model. Indeed, despite being lower than FY2009, our bottomline in FY2010 was 29% higher than that in FY2008.

Our business is well-diversified on four fronts – in terms of income, geography, suppliers and industry. To buttress our income streams, we have turned to both the supplying and servicing of equipment. The rendering of services played the greatest part in shoring up our results as ships in operation still required repair, maintenance and upgrading, despite the poor economic climate. In terms of geography, we are diversified across the region, with operations in Singapore, Malaysia, Thailand, Indonesia, PRC, and most recently, South Korea. In terms of suppliers, we collaborate with many highly rated principals to provide a wide range of offerings to our clients. In terms of industry, we keep a foothold in both marine and offshore oil & gas industries, so as not to be over-reliant on either sector. Furthermore, within the offshore industry, we service both vessels and rigs.

All these initiatives made it possible for Jason Marine to remain anchored through the crisis, maintaining our leading position in the industry, as did our efforts to heighten our internal management controls.

Laying Strong Foundations

As the crisis deepened, we focused heavily on internal management because we wanted to do more than just survive the storm – we wanted to emerge leaner, stronger, and more equipped to prevail over future downturns, ready to really grow our business again. We also made every effort to retain high-quality clients, which helped us avoid credit problems during the crisis.

In line with our service culture, another area we focused on was managing our relationships with clients, enhancing them by building up trust and service levels. In this industry in particular, trust is paramount – clients need to know they can depend on you to be on time and to provide impeccable service. When you can achieve that level of trust, clients will return to you in good or bad times. Our ability to secure many top brands also tells clients Jason Marine is a company they can rely on to service all their needs.

We also place great emphasis on talent management. At Jason Marine, we believe human capital is critical to our success. Without the right technical expertise and the right service attitude, our drive to take the Group to the next level would be severely handicapped. Hence, we insist on candidates who have all the 3Cs we value – character, competence and commitment – extending our search through sustained recruitment exercises at the various universities and institutes. We focus heavily on talent development, sending our staff overseas for training, implementing a buddy coaching system and subsidising advanced educational programmes that will benefit their work. By providing lifelong learning opportunities for everyone on our team, we have been able to retain talent so that our people can grow right alongside us.

Global events in recent years have highlighted the importance of business continuity plans. Thus, Jason Marine has taken pains to put a system in place that will facilitate the smooth running of business operations even in emergencies. During the year, we further improved on our Business Continuity Model (BCM) by upgrading our contingency measures for dealing with the pandemic flu threat and by pursuing the Singapore BCM Standard SS540.

All these efforts have borne fruit and will help advance our plans for the future as we move to expand in terms of both product and geography.

Channelling New Growth

Our plans for growth include new initiatives on multiple fronts. In the industry segments where we now operate – marine electronics systems for communication, navigation and automation – we seek to broaden our product range by adding complementary offerings that will help us create even more effective one-stop solutions for clients. To this end, Jason Marine will be working to identify new principals as well as new products that will add greater depth and value to our portfolio.

Longer term, we intend to advance the boundaries even further through a two-pronged strategy. On one hand, we hope to move into other marine electronics segments by building on our current strengths – our technical expertise and sound reputation as well as the strong customer relationships we have established in the marine and offshore industries. On the other, we are looking into ways to expand our geographical network. Setting up offices in the region's busiest ports, especially in PRC, and other shipbuilding hubs would allow us to provide enhanced customer support as well as amplify our marketing reach.

To break into new markets, we might invest in local companies with businesses that match or complement

our own. Alternatively, we could tie up with firms that have promising products or technologies we could then distribute.

Our most recent expansion was into South Korea in April 2010, through a joint venture with an established local brand in marine navigation equipment (e-MLX). In line with our growth strategy, this joint venture will grant us a foothold in the South Korean market by allowing us to extend our existing business activities into the market and to leverage on e-MLX Co., Ltd's brand of reputable navigational equipment.

With the measures we have taken and the strategies we are now rolling out, Jason Marine will be primed to ride the upturn when it comes. We have every faith in Jason Marine and its ability to scale new crests, so we invite new stakeholders to come on board and join us as we set out on this latest voyage.

Appreciation and Acknowledgment

Jason Marine's success would not have been possible without the support we have received. On behalf of my fellow board members, I would like to thank our suppliers and business partners for their continued confidence in us. We would like to express our sincere gratitude to all our customers, whose needs we remain committed to serving by delivering only the best products and services. To our management team and staff, we thank you for your dedication and commitment, which have kept Jason Marine focused and driven even during these challenging times. To our shareholders, we offer our heartfelt appreciation for your faith in us. We look forward to your renewed support as we lead the Group into the new financial year.

Foo Chew Tuck
Executive Chairman

Mr Foo Chew Tuck
Executive Chairman

Mr Tan Lian Huat
Chief Executive Officer

Board of Directors

Mr Foo Chew Tuck, 59, is our Executive Chairman and the founder of the Group. He was appointed to our Board on 9 September 2007. He has been an Executive Director of Jason Electronics (Pte) Ltd (Jason Electronics), now a full subsidiary of the Group, since its incorporation in 1978. He determines the overall strategic and expansion plans for the Group, and is responsible for the overall business development and general management of the Group. He has more than 30 years of experience in the marine electronics business. Before setting up Jason Electronics, he was a Sales Executive with Port & Marine Services Pte Ltd.

Mr Foo obtained a Diploma in Marketing from The Chartered Institute of Marketing in the UK in 1987. He later attended Oklahoma City University, where he obtained a Bachelor of Science in 1988 and a Master of Business Administration in 1992. In 2007, he was awarded the Pingat Bakti Masyarakat (Public Service Medal) for Community Services by the President of Singapore. Mr Foo is a full member of the Singapore Institute of Directors.

Mr Tan Lian Huat, 57, is our Chief Executive Officer (CEO) and was appointed to the Board on 9 September 2007. He has been a Director of Jason Electronics since 1982. He is responsible for the daily management and operations of the Group, and also oversees its strategies and growth. He has been instrumental in initiating and executing the penetration of new markets for our business. Before joining the Group in 1981, he was the Production Manager of a crystal manufacturing plant, which also serviced the marine communication equipment industry.

Mr Tan obtained a Diploma in Marketing and Sales Management from the National Productivity Board in 1984, a Diploma in Marketing from the Marketing Institute of Singapore in 1987 and a Master of Business Administration in strategic marketing from the University of Hull in the UK in 1993. He is a member of the Singapore Quality Institute, a fellow member of The Chartered Institute of Marketing in the UK, a management committee member of the Singapore Productivity Association and a full member of the Singapore Institute of Directors.

Mrs Eileen Tay-Tan Bee Kiew
Independent Director

Mr Sin Hang Boon
Independent Director

Mr Eugene Wong Hin Sun
Non-Executive Director

Mrs Eileen Tay-Tan Bee Kiew, 57, is an Independent Non-executive Director and was appointed to our Board on 15 September 2009. She has more than 35 years of experience in areas such as accounting, auditing, taxation, public listings, due diligence, mergers and acquisitions, and business advisory. She began her career in 1974 as an Audit Assistant with Turquand Young (now known as Ernst & Young). From 1991 to 2002, she was a Partner of KPMG. From 2002 to 2006, she served as a Director of several companies, both private and publicly listed, in Singapore and Australia. She is currently an Independent Director of Spice i2i Ltd., which is listed on SGX-ST, and the Chairman of its Audit Committee.

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

Mr Sin Hang Boon @ Sin Han Bun, 71, is an Independent Non-executive Director and was appointed to our Board on 15 September 2009. He has more than 40 years of experience in the telecommunication industry. He began his career in 1960 as a trainee engineer with the then Singapore Telephone Board (which underwent several organisational changes that eventually led to the formation of today's SingTel). He was the Vice-president of SingTel's business communications group before he was seconded to Belgacom S.A. in Belgium, where he served as its General Manager for Global Alliances in 1996, and its General Manager for Group Strategy and Development from 1997 to 1998. He returned to SingTel in 1999 and served as Chief Executive Officer of SingTel International, the company's strategic investment arm, until his retirement in 2002. Even after he retired, he continued to serve on the boards of some of SingTel's overseas joint venture companies until 2004. Currently, he is the Director of several companies, including Spice i2i Ltd., which is listed on SGX-ST.

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 Harvard University's Graduate School of Business Administration in 1993.

Mr Eugene Wong Hin Sun, 42, is a Non-independent Non-executive Director and was appointed to our Board on 15 September 2009. He founded Sirius Venture Consulting Pte Ltd, a venture consulting and venture capital company, in September 2002 and has been its Managing Director since its incorporation. Mr Wong also serves as a Non-executive Director of Haike Chemical Group Limited, which is listed on the Alternative Investment Market of the London Stock Exchange; a Non-executive Director of Ajisen (China) Holdings Limited, which is listed on Hong Kong Exchanges & Clearing Limited (HKEx); and a Non-executive Director of Japan Foods Holding Ltd., which is listed on the Catalist board of SGX-ST.

Mr Wong graduated from the National University of Singapore with a Bachelor of Business Administration (first-class honours) in 1992, and earned a Master of Business Administration from The Imperial College of Science, Technology and Medicine at the University of London in 1998. He also obtained a certificate of participation in the Executive Program for Growing Companies from the Graduate School of Business at Stanford University in 2002. He has been qualified as a Chartered Financial Analyst since 2001, and is a member of the Institute of Directors in Singapore and the UK.

Senior Management

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

Ms Foo obtained a Bachelor of Science degree with a major in Economics from the National University of Singapore in 1998. She also holds a professional accounting qualification from the Association of Chartered Certified Accountants (ACCA). She is a Certified Public Accountant (CPA Singapore), a fellow member of the ACCA and a member of the Institute of Certified Public Accountants of Singapore (ICPAS). She is currently pursuing a Master of Business Administration degree from the University of Manchester.

Mr James Tan Peng Huat is our Chief Operating Officer. He joined our Group in 2007. From then until 2009, he was the Operations Manager of Jason Electronics, where he was responsible for the improvement of processes at the Logistics and Purchasing Department. Having assumed his current role in 2010, he now oversees the Logistics, Purchasing, Projects, Service and Technical department. Responsible for the restructuring and improvement of the overall processes at all departments, he works to ensure a seamless operation across the Group by improving efficiency, performance and coordination. He has brought 40 years of experience in operations to the Group.

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

Mr Tan holds a Diploma in Business Administration from the National Productivity Board, a Diploma in Telecommunication and Electronics from Singapore Polytechnic, and a full Technological Certificate in Electronics and Communications from the City & Guilds of London Institute.

Mr Ooi Chee Kong is our Chief Human Resource Officer. He joined our Group in 2000. From then until 2003, he was the Assistant Quality Manager of Jason Electronics, and was responsible for the planning and implementation of its quality management systems, as well as for conducting internal audits of its quality systems. He assumed his current role in 2003, overseeing all administrative and personnel matters related to our Group. In particular, he is responsible for the overall welfare, performance, recruitment and training of our employees, and for the deployment of human resources.

Before joining our Group, he was with BBR Holdings Ltd, where he served as a Quality Management Executive in 1998 and as its Human Resource and Administrative Manager from 1999 to 2000, performing a full spectrum of human resource functions for its group of companies. He also acted as the group's Quality System Management Representative, assuming duties that included planning and leading internal audits of its quality systems. From 1993 to 1998, he was the Quality Coordinator of Albert Loh Consultants Pte. Ltd., where he was in charge of preparing and coordinating the submission of relevant applications for the statutory approval of building and construction works. From 1989 to 1993, he was the design draughtsman of Far East Levingston Shipbuilding Limited (now known as Keppel FELS Limited), where he was responsible for preparing technical drawings for construction purposes and ensuring that the actual construction conformed with the drawings. He has more than 10 years of experience in human resources.

Mr Ooi obtained a Diploma in Business Studies from The Institute of Commercial Management in the UK in 1988. He later attended Ngee Ann Polytechnic in Singapore, where he earned a Diploma in Total Quality Management in 1998 and an Advanced Diploma in Industrial Engineering and Management in 2001. In 2004, he obtained a Bachelor of Business in Transport and Logistics Management (distinction) from the Royal Melbourne Institute of Technology in Australia.

Ms Foo Hui Min
Chief Financial Officer

Mr James Tan Peng Huat
Chief Operating Officer

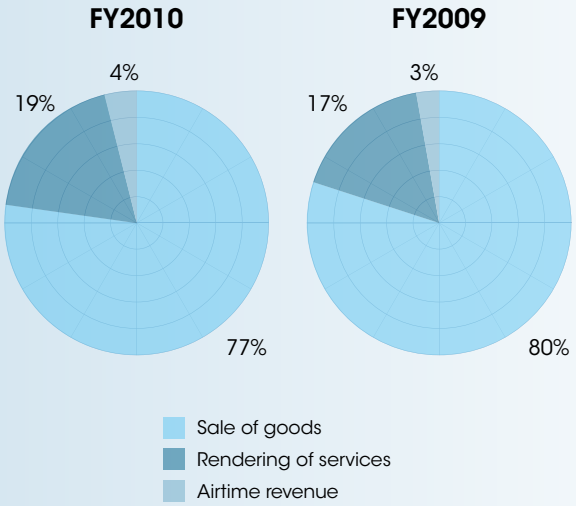
Mr Ooi Chee Kong
Chief Human Resource Officer

Extending World-class Service

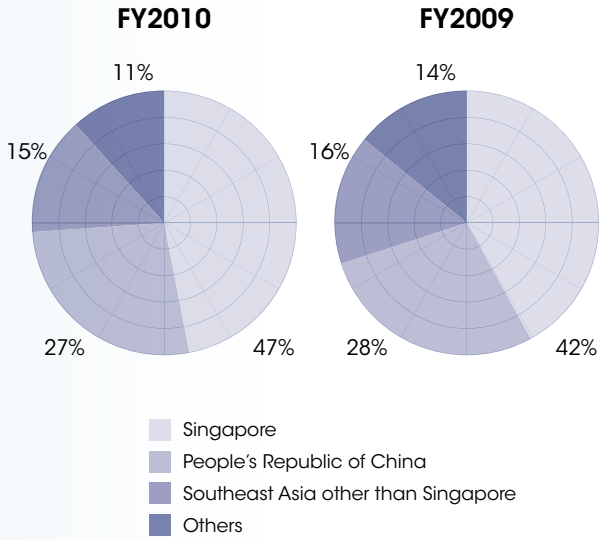
We here at Jason Marine have embraced 3Cs – character, competence and commitment – that signify the true meaning of world-class service. Supported by a crew of highly trained and certified engineers, we are thus able to ensure that our customers enjoy the very best in quality and efficiency regardless of time or distance constraints.

Financial Highlights

Revenue by Business Segment



Revenue by Geographical Segment



Results of Operations
(S$'000)

	31 March ended			
	FY2010	FY2009	FY2008	FY2007
Revenue	51,522	70,880	58,722	40,683
Gross profit	14,820	17,668	14,533	9,395
Profit before income tax	5,330	7,766	4,127	1,911
Profit after income tax attributable to owners of the parent ("PATMI")	4,289	6,392	3,332	1,601
Earnings Per Share (Cents)*	4.05	6.03	3.14	1.51

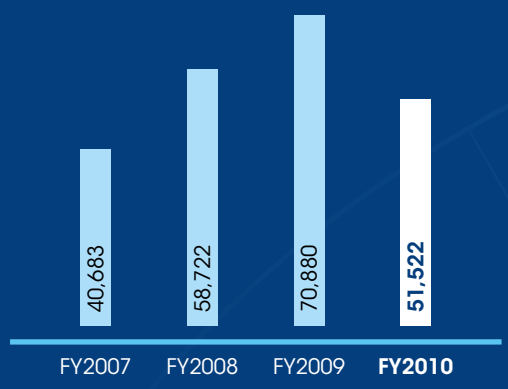
*For comparative purpose, earnings per share of the Group for the financial years shown were computed based on 106,000,000 ordinary shares in issue as at 31 March 2010.

Financial Position
(S$'000)

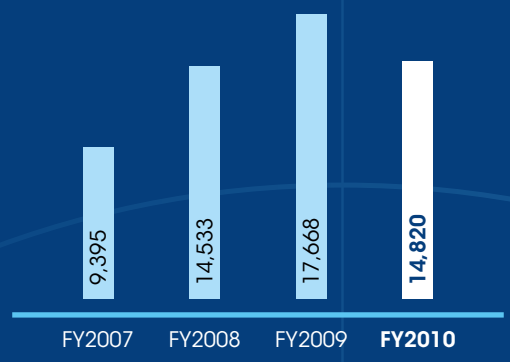
	31 March ended			
	FY2010	FY2009	FY2008	FY2007
Non-current assets	1,856	1,610	1,008	1,251
Current assets	31,421	34,556	29,672	21,271
Current liabilities	11,036	21,177	22,093	12,321
Non-current liabilities	74	134	121	68
Capital and reserves	22,167	14,855	8,466	10,133
Net Asset Value Per Share (Cents)#	20.91	14.01	7.99	9.56

For comparative purpose, net asset value per share of the Group for the financial years shown were computed based on 106,000,000 ordinary shares in issue as at 31 March 2010.

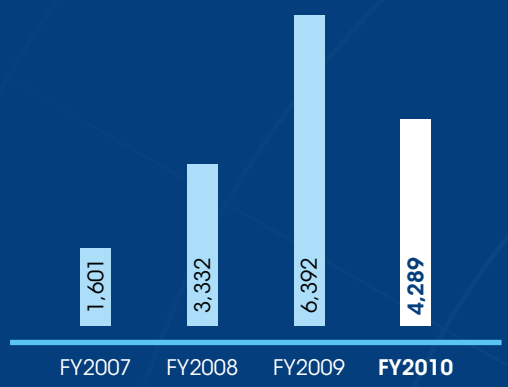
Revenue (S$ '000)



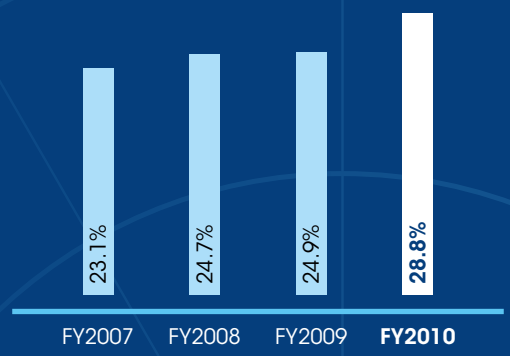
Gross Profit (S$ '000)



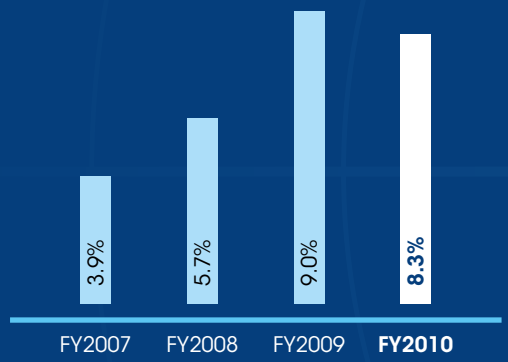
PATMI (S$ '000)



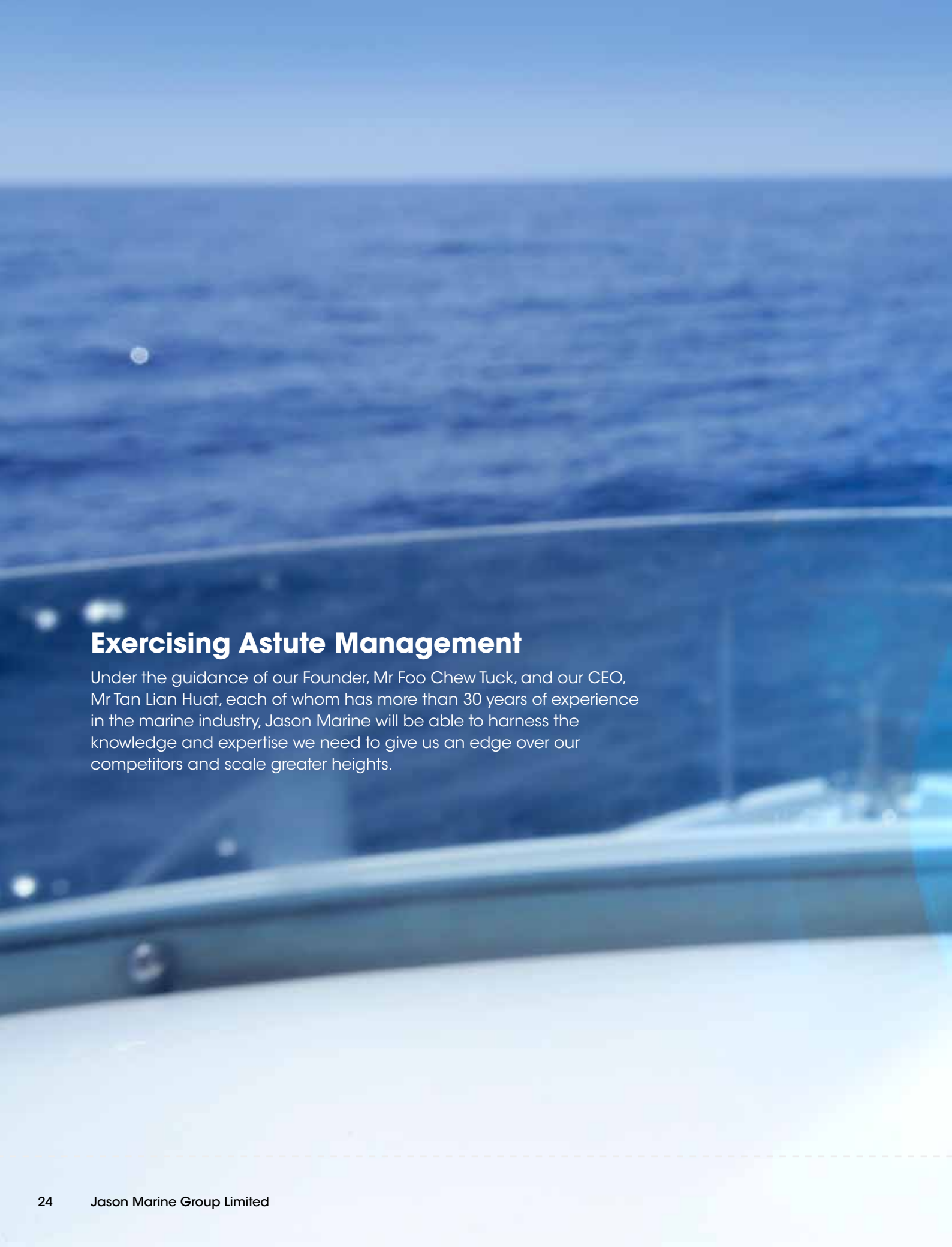
Gross Profit Margin



PATMI Margin



Note: Excluding one-off IPO expenses, PATMI margin for FY2010 is 9.9%



Exercising Astute Management

Under the guidance of our Founder, Mr Foo Chew Tuck, and our CEO, Mr Tan Lian Huat, each of whom has more than 30 years of experience in the marine industry, Jason Marine will be able to harness the knowledge and expertise we need to give us an edge over our competitors and scale greater heights.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Industry and Market Review

Shipbuilding Industry

The integrated solutions provided by Jason Marine cover a wide range of services, from the supplying of individual equipment to the design, integration, installation and commissioning of complete marine electronics systems. Revenue comes in on a project basis, derived mostly from contracts tendered by new ships, particularly in China shipyards. The Group bids for projects for all types of vessels, from bulkers, containerships and tankers to fishing as well as leisure ships.

Shipbuilding – PRC

In 2009, the Chinese shipbuilding industry, which had been enjoying rapid growth for many years, suffered a setback as the effects of the global financial crisis spread. Although ships were still completed and delivered, new orders shrank as ship owners held back expansion plans in view of the tough operating environment.

Newly contracted shipbuilding orders in the PRC fell 55% year-on-year to 26 million deadweight tonnes (dwt) compared with 2008[1]. There were practically no orders for containerships. The same was true of tankers, except in August and October, when contracts for newbuilds reached a total of approximately 6 million dwt[2].

Shipbuilding – Rest of the World

This downtrend also affected other parts of the world. Globally, order flows for new shipbuilding kicked off sluggishly in 2009 and there were no new orders by May. New orders did pick up in the second half of the year, but even at the peak, which was reached in July, the value of contracts was still less than 10 million dwt, far below the peaks of more than 25 million dwt a month seen in the boom years of 2007 and 2008[3].

[1] Ministry of Commerce, People's Republic of China, 21 January 2010
[2] China Shipbuilding Monthly, Morgan Stanley Research, 12 April 2010
[3] China Shipbuilding Monthly, Morgan Stanley Research, 12 April 2010

Ship Repair and Maritime Trading Industry

Maintenance and support services are provided for vessels docking at ports in countries where the Group has operations. These include Singapore, Malaysia, Thailand, Indonesia and the PRC. The volume of services rendered is largely dependent on the number of ships passing through the ports, which in turn is determined by activity levels in the global maritime trading industry. The Group derives a greater proportion of its maintenance and support services business from Singapore.

Ship Repair – Singapore

Traditionally, this business segment is fairly resilient as vessels in operations will always require maintenance and certification in order to sail. A large portion of the Group's revenue is derived from ship repair services provided to vessels that call on Singapore's port. Despite the global financial crisis, the number of ships arriving in Singapore in 2009 held steady at 130,575 – a marginal drop from the 131,695 seen in 2008[4]. The number of vessels docking for repair services even increased by 9.3%, from 6,588 in 2008 to 7,200 in 2009[5].

Ship Repair and Maritime Trade – Regional

However, the situation was less optimistic in other regions where the Group operates because of the economic crisis. In the PRC, the number of ships repaired slumped by 30% in 2009 compared with the 5,310 seen in 2008[6]. There were also fewer ship arrivals in Malaysia and Thailand, which resulted in lower demand for repair services. Port Klang in Malaysia saw ship arrivals fall from 16,864 in 2008 to 15,355 in 2009[7]. In Thailand, the number of ships calling at Bangkok Port dropped from 2,795 to 2,541 over the same period[8].

[4] Vessel Arrivals (>75 GT) and Shipping Tonnage by Type, Maritime and Port Authority of Singapore
[5] Vessel Calls (>75 GT) by Purpose, Maritime and Port Authority of Singapore
[6] Research Report of China's Ship Repair Industry, 2009, China Research and Intelligence
[7] Ship Statistics, Port Klang Authority
[8] Ship Calls at Bangkok Port, Port Authority of Thailand

Marine Airtime Services Industry

Marine airtime is essential for vessels as they need to communicate with one another and with land authorities to ensure safety as well as facilitate navigation for administrative and logistic purposes. More than 95% of the ships use satellite systems, but some are still phasing out the older radio telephony systems. For satellite communications, ships can choose either Mini-M fleet or fleet broadband (airtime service provided by telecommunication service providers) or even VSAT (very small aperture terminal).

During the course of the year, the Group noticed more ships using satellite communication systems were switching from low speed satellite terminals (Mini-M fleet or fleet broadband) to broadband VSAT. Typically, the Group packages new airtime subscriptions with the supply of satellite equipment, much like telecommunications companies packaging mobile subscription plans with the sale of new handsets. Jason Marine provides both Inmarsat terminals and VSAT, so it adds value to clients and provide the option to switch between the two systems in terms of supplying the equipment as well as booking new airtime subscriptions.

Maritime Regulations

Marine vessels are governed by both their local maritime authorities as well as international maritime regulations. In order for a ship to sail, it often has to fulfil stringent requirements in all aspects ranging from the structure of the vessel to the type of equipment it needs to have onboard. With the heavy focus on safety, maritime authorities are constantly coming up with new policies that result in the need to change or upgrade marine electronics systems on vessels.

For instance, the International Maritime Organization (IMO) recently made it compulsory for vessels to use electronic chart display and information systems (ECDIS). Such systems display information from electronic navigational charts and integrate positional information from the global positioning system and other navigational sensors, such as radar and automatic identification systems. An ECDIS provides the legal equivalent of a paper nautical chart when it meets IMO specifications. Currently, some ships still use paper nautical charts for navigation rather than the computerised ECDIS. The new ruling will be implemented in phases for different vessel types and sizes from 2012 to 2017. Thus, demand could increase for Jason Marine's services to supply such systems to ships.

Financial Review

The year ended 31 March 2010 (FY2010) proved to be a challenging period as the effects of the global economic crisis were still unfolding, with widespread repercussions around the world. Businesses across industries and geographies had to operate in tough environments, as did Jason Marine.

Revenue and Gross Profit

The Group's revenue and profit are attributable to three core business segments:

1. Sale of goods
2. Rendering of services
3. Airtime revenue

1. The sale of goods forms the core business segment of the Group and contributed 76.6% of total revenue in FY2010. It entails the provision of total integrated solutions for marine communication, navigation and automation systems, usually in turnkey projects for new shipbuilds.

   Jason Marine's FY2010, spanning April 2009 to March 2010, coincided with the reduction in the pool of new shipbuilding orders in China and the rest of the world. Hence, the Group secured fewer projects from new shipbuilds. The Group also had to compete more on pricing during the year as the tough business landscape made cost a greater concern for ship owners.

   The combined effect caused revenue for this business segment to fall by 30.2%, from S$56.6 million in FY2009 to S$39.5 million in FY2010. Gross profit decreased by 22.7%, from S$15.4 million to S$11.9 million.

   In contrast, the gross profit margin continued to improve in FY2010, following a trend of improvement that started in FY2007. The Group achieved a gross profit margin of 30.0% in FY2010 compared with 27.3% in FY2009 in this segment because of the drop in direct labour costs arising from lower sales.

2. The rendering of services accounted for 19.2% of total Group revenue in FY2010. Services offered included the repair, troubleshooting and replacement of faulty parts as well as

statutory radio survey and annual performance tests for marine electronics systems, on behalf of recognised maritime authorities, to certify vessel seaworthiness.

Generally, ships will require maintenance, repair and certification as long as they are in operation. Thus, this business segment is usually less affected by macroeconomic fluctuations. However, the sheer magnitude of the recent global downturn meant that demand for ship repair was significantly affected as the drop in trade meant there were fewer ships in operation requiring services.

As a result of the reduced demand for ship maintenance services, revenue from the rendering of services dropped by 16.8%, from S$11.9 million in FY2009 to S$9.9 million in FY2010.

Reacting quickly to the lower demand for maintenance services, the Group moved to reduce the outsourcing of maintenance and services work. Due to the decrease in subcontractor charges, the gross profit margin for the rendering of services rose substantially, from 12.4% in FY2009 to 22.0% in FY2010. This led gross profit to surge 46.7%, from S$1.5 million to S$2.2 million over the same period.

3. As part of the Group's provision of total solutions, Jason Marine also sells airtime bandwidth for satellite communication systems. Both are distributed by the Group and from other distributors.

Hit by the global financial crisis, cost-conscious operators reduced bandwidth usage on their ships, which resulted in lower airtime revenue for the Group. Nevertheless, because the sale of airtime is subscription-based, revenue from this segment is generally more stable. Thus, the fall in revenue was limited to S$0.2 million, with the level slipping from S$2.4 million in FY2009 to S$2.2 million in FY2010. The segment accounted for 4.2% of total Group revenue in FY2010. The gross profit margin increased from 31.3% in FY2009 to 36.6% in FY2010, resulting in a slight increase in gross profit of S$0.8 million for the segment.

At the Group level, revenue decreased by 27.3%, from S$70.9 million in FY2009 to S$51.5 million in FY2010. In line with the decrease in sales, gross profit fell by 16.4%, from S$17.7 million to S$14.8 million over the same period. Net profit attributable to shareholders dipped by 32.8%, from S$6.4 million to S$4.3 million.

However, gross profit margins improved across all business segments. The Group's overall gross profit margin rose to 28.8% in FY2010 from 24.9% in FY2009. The net profit margin slipped from 9.0% to 8.3% over the same period, largely because of expenses incurred from the Group's IPO. Excluding these one-off IPO charges, the net profit margin actually improved to 9.9% for FY2010.

In FY2010, in terms of geographical segment, the Group derived 47.2% of its revenue from Singapore, 26.8% from PRC, 14.5% from Southeast Asia (other than Singapore), and the balance 11.5% from other countries.

Highlights of Cash Flow and Financial Position

Even though business performance was down in FY2010, Jason Marine's efforts to improve internal management controls paid off in the form of improved cash flows and a strengthened balance sheet.

Notwithstanding lower profits, cash flow from operations improved from S$2.4 million for FY2009 to S$2.9 million for FY2010. This came about because of astute working capital management as inventories, receivables and payables were all reduced. The Group also paid down trust receipts of S$4.3 million, effectively eliminating all its bank borrowings.

Cash flow from financing turned positive, climbing to S$2.8 million, largely because of the net proceeds of S$2.9 million from the Group's IPO in October 2009. Cash outflow for financing was further reduced as Jason Marine repaid all its bank borrowings. Hence, interest expenses amounted to S$67,000 in FY2010 compared with S$248,000 in FY2009. In terms of investing activites, the Group utilised S$0.4 million to acquire available-for-sale financial assets in e-MLX Co., Ltd, which is a South Korean company well-known for its e-MLX brand of marine equipment, to gain a foothold in the South Korean market. This resulted in total cash used in investing activities of S$0.5 million.

The healthy cash flows from operating and financing activities led to an increase in the Group's cash balance, which rose from S$8.2 million as at 31 March 2009 to S$13.5 million as at 31 March 2010. Having minimised debt levels, the Group is in a robust balance sheet position, with net cash accounting for 60.5% of equity in FY2010. This puts Jason Marine on a strong footing to execute future expansion plans.

Business Outlook

Despite the challenges it has faced over the past financial year, Jason Marine remains optimistic about and committed to its future growth. Thus, with the future in mind, the Group entered into a joint venture to extend its reach into South Korea, whose large shipbuilding industry offers a wealth of opportunities.

For the short term, the Group has been encouraged by the following macroeconomic trends:

1. In China, new ship orders increased 12 fold year-on-year to 12.77 million dwt for the period from January to April 2010[9].
2. Global shipbuilding new orders have experienced a recovery, rising from about 3 million dwt in January 2010 to more than 5 million dwt in March 2010[10].
3. The number of ships demanding repair services in Singapore rose by 33.0% quarter-on-quarter to 2,133 from January to March 2010[11].
4. More ships are switching from low speed satellite terminals (Mini-M fleet or fleet broadband) to broadband VSAT for satellite communications.

However, the Group is mindful of being too optimistic as debt woes in Europe are likely to cast a shadow over global trade and the world economy in the short to medium term.

In the long run, Jason Marine believes growth in Asia and other emerging markets will underpin global trade flows. China and South Korea, as the world's largest shipbuilding nations, may see increases in orders for new ships to support the growth of global trade. In addition, Singapore and China may continue to benefit from trade flows because of their strategic locations and status as maritime hubs. Thus, Jason Marine may stand to benefit from projects for new ships as well as services for ships passing through ports where the Group operates.

Going forward, the Group will continue to capitalise on its strengths and pursue expansion and investment opportunities that will extend its range of services and capabilities in the marine and offshore oil and gas industries.

[9] Ministry of Industry and Information Technology, People's Republic of China, 1 April 2010
[10] China Shipbuilding Monthly, Morgan Stanley Research, 12 April 2010
[11] Vessel Calls (>75 GT) by Purpose, Maritime and Port Authority of Singapore

Corporate Developments

World's First Installation of FleetBroadband 150

In July 2009, Jason Marine, a trusted distributor of Thrane & Thrane A/S, completed the world's first commercial installation of the FleetBroadband 150 (FB150) service on board the tug Miclyn Enterprise.

FB150 is global telecommunications company Inmarsat's new compact, entry-level Internet telephony (IP) service designed for coastal merchant, small leisure, fishing and government vessels. It combines a high-quality telephone connection with simultaneous IP data feeds at up to 150 kilobits per second (kbps), and supports short message service (SMS) texting. Thrane & Thrane carries FB150 as part of its SAILOR 150 FleetBroadband equipment range.

Crew serving on vessels equipped with FB150 will be able to access e-mails at faster speeds and lower costs. This will expedite communication with their respective offices worldwide. Before the FB150 was introduced, Inmarsat satellite terminals generally provides data transfer speeds of up to max 64kbps only.

The project was delivered at the Jalan Brigjen Katamso shipyard in Batam, Indonesia, to the multipurpose offshore support vessel owned by Miclyn Express Offshore Pte Ltd.The entire installation process took a mere 15 minutes, with the first e-mail sent and the first telephone call made within the hour.

The project provides a clear demonstration of Jason Marine's world-class technical expertise and excellent service attitude as the Group was the first to advise its client to adopt this new equipment. That Miclyn Express Offshore took up the recommendation even though there had been no precedent commercial cases is also testimony to Jason Marine's standing as a trusted and reliable marine electronics integrator.

Strategic Foray into South Korea

In April 2010, the Group established a joint venture company with e-MLX Co., Ltd. and Mr Sang Hun Jin to tap new opportunities for growth in South Korea, one of the world's largest shipbuilding nations.

The venture gives Jason Marine a foothold in the South Korean market by allowing it to extend its existing business activities there and to leverage on e-MLX's brand of marine navigational equipment, one with an established reputation in the local market. In addition, the move enhances the strong portfolio of marine electronics equipment supplied by the Group, which already includes international brands such as Raytheon Anschutz, Thrane & Thrane, SeaTel and Navico.

This collaboration will help Jason Marine to expand its global network in line with its growth strategy and allow the Group to move in swiftly to capture demand from shipbuilders.

Corporate Social Responsibilities

As the new century unfolds, the environment we live in will face unprecedented challenges. At Jason Marine, we believe it is part of our role to run an environmentally sustainable business as well as join hands with partners to combat climate change. We would like to think we can make a difference, even in a small way.

Responsible Recycling

As improper disposal of batteries and scrap equipment can be hazardous to the environment, we take special care to dispose of such materials responsibly. Thus, we have instituted an in-house procedure for controlled disposal that takes place only at the end of each month.

In addition, since 2005, we have followed an initiative to reduce, reuse and recycle office paper. Obsolete documents and unused material are collected for recycling into packaging material.

This year, we finalised our investment in a paperless enterprise resources planning (ERP) system. This investment, which has helped foster among our staff a greater sense of responsibility for the environment, allows the company to raise productivity while saving the trees.

Crisis Support

Jason Marine believes in lending a helping hand to those in need. This year, we organised an internal charity auction to help the Society for Continence, pooling money from all our staff with donations from top management. Our previous efforts included donations to Mercy Relief after the 2004 tsunami.

Health Activities

To advocate our belief that a balanced lifestyle enhances worker productivity, we have rolled out specially designed programmes during lunch breaks and weekends so our staff can spend time together for reasons other than work.

They also get together for leisure activities such as bowling and fun runs at least once a month.

Earlier CSR Efforts

- Charity visits to children's homes and old folks' homes
- Donations to Beyond Social Services
- Donations to Loving Heart Social Services
- Donations to Red Cross Singapore for relief efforts during Typhoon Ketsana and the Padang earthquake

Health & Safety

The marine industry can be a risky one for workers, especially those deployed to open seas where the weather can be ruthless.

Risks faced by staff

During the course of their work, our staff could encounter various types of hazards. For instance, some work at extreme heights, carrying out tasks on platforms as high as 20 metres, so there is a constant risk of falling. Others face risks created by weather phenomena such as lightning storms.

In these turbulent times, the risks could even include being assailed while working in pirated seas or in countries experiencing civil disputes.

Measures put in place

Comprehensive risk framework

This allows us to identify which work processes are more risky so that preventive measures can be incorporated to minimise the hazards.

Safety equipment

We make sure that all our staff members wear safety boots, helmets, goggles and gloves while they are on the job. Our latest measure is to provide workers with a gas meter so they can assess the environment before embarking on the job.

Training and ongoing modification

To-date, we have not encountered any cases of major accidents.

Human Resource

At Jason Marine, we enjoy a symbiotic relationship with our staff. We recognise their commitment to us by remaining equally committed to their personal development. Thus, we focus heavily on training and lifelong learning.

Technical Competency

In our business, technical competency is what gives us our competitive edge. Our training programmes are thus highly focused and directed.

Singapore

The partners we work with include Thrane & Thrane, where we have sent staff for courses such as fleet installation, commissioning and onboard repair training, VSAT Sailor 700 (OSC) and satellite installation training, as well as MF/HF installation, commissioning and repair onboard.

Shanghai

We have also sent staff to Shanghai, partnering with Raytheon Anschutz GMBH to allow them to attend the Raytheon Gyro Std 22 / NP 2015 installation course.

Bristol, UK

Employees have also been sent to the UK, where we partnered with Selex Communications to provide Broadgate VDR technical training.

Lifelong Learning

We show our support to our staff by ensuring they can take leave when needed to further their studies. In addition, diploma courses are sponsored by management if candidates have been consistent in their performance.

Buddy Training System

One innovative measure that has taken our training programme to another level is our buddy system. To ensure that our junior staff members receive proper guidance, we have incorporated a buddy system at Jason Marine that pairs senior staff with newer employees, allowing each party to benefit from the other's experience.

Apart from promoting camaraderie within the company, this system fosters accountability, as each team and/or department feels fully involved and everyone is motivated to work towards further improvement.

Our Investments in Training

3334 The hours we spent in total last year to train our staff

1002 The amount in dollars invested to train each individual staff

165420 The total expenses in dollars we incurred for training last year

Investor Relations

Jason Marine is committed to the provision of clear, consistent and timely disclosure of information to our shareholders and stakeholders. We maintain a dedicated investor relations function that serves as the communication channel between our shareholders, investors, analysts, media and the Group.

In addition to our annual report, Jason Marine provides market updates as well as regular company updates through presentation slides, fact sheets and our website to keep investors abreast of developments.

Announcements are released through the SGX-ST and made available on the Group's website as well as via e-mail alerts to analysts, fund managers and the media.

Risk & Business Continuity Management

Over the past two years, businesses worldwide have had to come to grips with the fact that business operating environments have become increasingly unpredictable. Recognising the importance of business continuity management (BCM), Jason Marine has taken steps to invest in building a viable framework that will keep its operations running smoothly, as well as to maintain a culture where BCM is taken seriously.

Key Business Risks

In our business, the key risks we face include dependency on key suppliers as well as heavy reliance on a few management members. As marine electronics form a core part of our business, we are also susceptible to the risk of IT failure. The risk of a flu pandemic needs to be tackled as well, especially since our employees are required to travel internationally.

Key BCM Implementations

To ensure the validity and efficacy of our BCM practices, we have introduced two core areas of BCM planning. The first involves risk assessment, which addresses risk prevention and minimisation. The second involves a contingency plan that allows us to continue operations at alternate sites should a crisis or disaster strike the main office. Finally, we have also implemented a unique flu pandemic BCM plan that complements the main corporate BCM plan.

Trial Runs

To ensure that our practices are viable, we make regular trial runs to check that all our BCM practices can be carried out effectively. Tests done in 2004, 2006 and 2007 were successful for walkthrough (simulation) exercises, notification exercises (call tree) and alternate e-mail server switching.

During our simulations, we achieved nearly perfect results. Department representatives were contacted successfully 100% of the time, 80% of attempted contacts were successful within two hours and 95% of relayed messages were returned correctly.

Developments in 2010

This year, to add to our existing infrastructure, we introduced a national BCM standard, SS540:2008. Since the last H1N1 outbreak, we have also upgraded our BCM plan for epidemics, moving from one tailored for SARS to one that now covers flu pandemics.

2009

Received ISO 9001:2000 Management System accreditation from Det Norske Veritas. Scope of certification: design, sale, installation and servicing of marine communication and navigation equipment

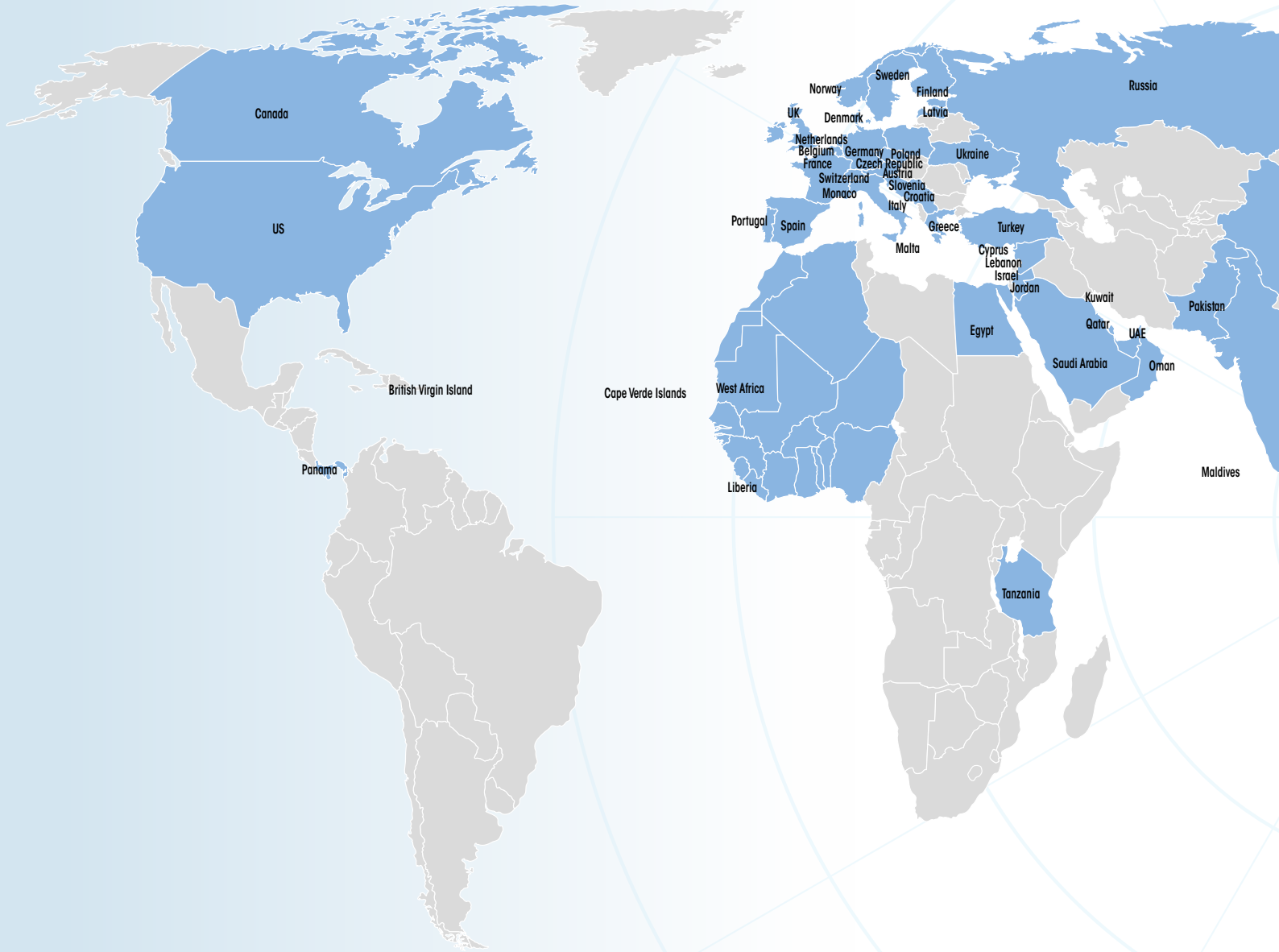
ISO 9001:2008 Quality Management System accreditation

CSR Recognition Awards from Singapore Compact in October

Exploring New Frontiers

We seek to diversify our portfolio by continuing to widen our international reach, winning over ever more customers worldwide. Our recent foray into South Korea – the latest step in this direction – has significantly increased our presence in one of the world's largest shipping nations.

Our Presence



Legend:

- ● Jason Marine Group Offices
- ■ Countries of Jason Marine's main customers

Singapore Head Office

Jason Marine Group Limited
Jason Electronics (Pte) Ltd
Jason Asia Pte Ltd
Jason Venture Pte. Ltd.
194 Pandan Loop #06-05
Pantech Business Hub
Singapore 128383
Tel: +65 6872 0211
Fax: +65 6872 1800
Email: sales@jason.com.sg

Other Jason Group Offices

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

Malaysia - Jason Elektronik (M) Sdn. Bhd.
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Fax: +03-332 48417
Email: sales@jason.com.sg

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Tel: +82 51 403 4801
Mobile: +82 10 8780 2172
Fax: +82 51 403 4881
Email: jin@jasonasia.com

Indonesia - PT Jason Elektronika
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Fax: +62-021-6415493
Email: sales@jason.com.sg

PRC - Jason (Shanghai) Co., Ltd
16H New Shanghai City Building
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Shanghai 200002
People's Republic of China
Tel: +86-21-63375966 / 7 / 8
Fax: +86-21-63375969
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日声（上海）贸易有限公司
上海市河南南路33号16H 室
邮政编码：200002
电话：+86-21-63375966 / 7 / 8
传真：+86-21-63375969
邮箱：chinasales@jason.com.sg

Corporate Calendar

2009

APR

Participated in Sea Asia Exhibition (21 - 23 April)

MAY

Participated in ShipTek 2009 (6 - 7 May)

OCT

Initial public offering of Jason Marine Group Limited

Officially listed on the Catalist board of SGX

Jason Electronics (Pte) Ltd received the Singapore Compact CSR Recognition Award

DEC

Announced half-year results ended 30 September 2009

Announced additional investment in e-MLX Co., Ltd

Participated in Marintech China (1 - 4 December)

Jason Electronics (Pte) Ltd attained bizSAFE Level 3 certication by the Workplace Safety and Health Council

2010

JAN

The Group celebrated its 33rd anniversary since establishment

FEB

Participated in the career fair at the Republic Polytechnic

MAR

Participated in Asia Pacific Maritime 2010 (24 - 26 March)

APR

Announced establishment of Jason Korea Co., Ltd, a joint venture company in South Korea

MAY

Announced full year results ended 31 March 2010

Corporate Governance Report And Financial Section

Corporate Governance Report

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

This Report describes the Company's corporate governance practices during the financial year 2010 with specific reference to the revised Code of Corporate Governance 2005 (the "Code").

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

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

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

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

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

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

The Board meets at least half-yearly prior to the announcements of the Group's half-yearly results and as warranted by circumstances. Ad-hoc meetings are convened as and when deemed necessary. During the financial year and up to the date of this statement, the Board met four times.

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

The attendance of the Directors at meetings of the Board and Board Committees during the year up to the date of this statement is tabulated below:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings	4	2	2	3
No. of meetings attended by respective directors				
Executive Directors:				
1. Mr Foo Chew Tuck	4	N/A	N/A	N/A
2. Mr Tan Lian Huat	4	N/A	N/A	N/A
Non-Executive Director:				
3. Mr Wong Hin Sun Eugene	4	2	2	3
Independent Directors:				
4. Mr Sin Hang Boon	4	2	2	3
5. Mrs Eileen Tay-Tan Bee Kiew	4	2	2	3

N/A – Not Applicable

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

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

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

In addition, continuous and on-going training programmes are made available to the Directors, including participation of courses on directors' duties and responsibilities as well as seminars and talks on relevant subject fields.

The Directors are conscious of the importance of the continuing education in areas such as legal and regulatory responsibility and accounting issues, so as to update and refresh themselves on matters that affect their performance as a Board, or as a Board Committee Member. Accordingly, further training for Directors will extend to relevant new laws, regulations and changing commercial risks from time to time. The majority of Directors joined the Board in FY2010 and our Non-executive Directors have experience in being a director of listed companies.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

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

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

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

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

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

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company adopts a dual leadership structure, where there is a separate Chairman and Chief Executive Officer ("CEO") on the Board. The Executive Chairman of the Company, Mr Foo Chew Tuck, determines the overall strategic and expansion plans, and is responsible for the overall business development and general management of the Group. The CEO, Mr Tan Lian Huat, is responsible for the daily management and operations as well as the overseeing of the Group's strategies and growth. Such division of responsibilities was established by the Board and disclosed in the Company's offer document dated 12 October 2009. The Executive Chairman and CEO are not related.

The Chairman's duties include:

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

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

PRINCIPLE 4: BOARD MEMBERSHIP

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

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

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

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

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

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

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

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

d) NC makes recommendations to the Board for approval.

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

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

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

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

The date of first appointment and date of last re-election of each of the Directors are:

Name of Director	Position in the Board	Date of first appointment	Date of last re-election during AGM
Mr Foo Chew Tuck	Executive Chairman	9 September 2007	30 September 2008
Mr Tan Lian Huat	CEO	9 September 2007	7 September 2009
Mr Wong Hin Sun Eugene	Non-executive Director	15 September 2009	Not applicable*
Mr Sin Hang Boon	Independent Director	15 September 2009	Not applicable*
Mrs Eileen Tay-Tan Bee Kiew	Independent Director	15 September 2009	Not applicable*

*Appointed on 15 September 2009.

PRINCIPLE 5: BOARD PERFORMANCE

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

The areas of assessment focused on:

a) Board's conduct of meetings;

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

c) risk management and internal control;

d) whistleblowing matters;

e) measuring and monitoring performance;

f) recruitment and evaluation;

g) compensation for board and key executives;

h) succession planning;

i) financial reporting; and

j) communication with shareholders.

As the Company was recently listed, the consideration of the Company's share price performance over a five-year period is not applicable. However, the Board will review this performance criterion when relevant.

During the financial year, Directors were requested to complete appraisal forms to assess the overall effectiveness of the Board. The results of the appraisal exercise were considered by the NC which then made recommendations to the Board, aimed at helping the Board to discharge its duties more effectively. The appraisal process focused on the evaluation of factors such as the size and composition of the Board, the Board's access to information, Board processes and accountability, Board performance in relation to its principal functions, communication with Senior Management and Directors' standards of conduct.

PRINCIPLE 6: ACCESS TO INFORMATION

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

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

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

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

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

PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

The RC recommends to the Board a framework of remuneration for the Directors and Management and determines specific remuneration packages and terms of employment for each Executive Director and Management. The objectives of such policy are to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, thereby maximising shareholders' value.

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

Each member of the RC will abstain from voting and discussion on any resolutions in respect of his own remuneration package.

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

PRINCIPLE 8: LEVEL AND MIX OF REMUNERATION

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

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

Save in respect of the initial term of the service agreement of the Executive Directors, the service agreement may be terminated by giving six months' prior written notice or an amount equal to six months' salary in lieu of such notice. During the initial term of the service agreement, the notice period or amount payable in lieu of notice is twelve months.

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

Non-executive Directors are paid a base fee. An additional fee is also paid to Non-executive Directors for serving on any of the board committees, with the Chairman of each of these committees being paid twice the amount of such additional fee. Such fees are pro-rated if the Directors serve for less than one year. Such fees are subject to approval by the shareholders of the Company at the annual general meeting of the Company.

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

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

PRINCIPLE 9: DISCLOSURE ON REMUNERATION

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

	Fees	Salary	Performance Related Income	Others	Total
	%	%	%	%	%
Remuneration Band ($500,000 – $749,999)					
Foo Chew Tuck	-	60	37	3	100
Remuneration Band ($250,000 - $499,999)					
Tan Lian Huat	-	36	61	3	100

	Fees	Salary	Performance Related Income	Others	Total
	%	%	%	%	%
Remuneration Band (Below $250,000)					
Eileen Tay-Tan Bee Kiew	100	-	-	-	100
Sin Hang Boon	100	-	-	-	100
Wong Hin Sun Eugene	100	-	-	-	100

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

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

Annual Remuneration	Name of Executive
Below S$250,000	Foo Hui Min Ooi Chee Kong Tan Peng Huat

To-date no share options have been granted pursuant to the Scheme.

PRINCIPLE 10: ACCOUNTABILITY

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

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

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

Management provides the Board with quarterly management accounts that keep the Board informed of the Group's performance, position and prospects and consist of the consolidated profit and loss accounts, analysis of sales, operating profit, pre-tax and attributable profit with explanation given for variances.

PRINCIPLE 11: AUDIT COMMITTEE

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

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

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

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

a) establishing the terms of reference for the AC;

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

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

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

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

f) 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;

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

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

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

The AC has met with the external auditors without the presence of the Management in May 2010. The Company will facilitate the AC's meeting with the internal auditors without the presence of the Management in due course.

The AC confirms that it has undertaken a review of all non-audit services provided by the external auditors and such services would not, in the AC's opinion, affect the independence of the external auditors.

The AC has the authority to investigate any matter brought to its attention within its terms of reference, with the authority to engage professional advice at the Company's expense. The AC is in the process of establishing a whistle blowing policy for adoption by the Company.

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

PRINCIPLE 12: INTERNAL CONTROLS

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

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

During the financial year, in connection with the initial public offering ("IPO") of the Company, a pre-IPO internal audit was carried out by Ethos Advisory Pte Ltd.

In March 2010, the Company appointed PricewaterhouseCoopers LLP as its internal auditor to conduct the internal audit review. PricewaterhouseCoopers LLP has:

a) carried out a follow-up review on the result of the pre-IPO internal audit;

b) conducted a risk assessment workshop involving the Company's Management and the chairperson of the AC; and

c) commenced internal audit review on an agreed scope of review.

The Board is satisfied that existing internal controls, including financial, operational and compliance controls and risk management systems are adequate but will review the adequacy and effectiveness on an on-going basis and address any specific issues or risks whenever necessary.

PRINCIPLE 13: INTERNAL AUDIT

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

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

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

The annual conduct of audits by the internal auditors assists the AC in the assessment of and gives it assurance on the adequacy of the Group's internal control procedures.

PRINCIPLE 14: COMMUNICATION WITH SHAREHOLDERS

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

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

All announcements are released via SGXNET including the half-year and full-year financial results, distribution of notices, press release, analyst briefing, presentations, announcement on acquisitions and other major developments. In addition, all shareholders will receive the Annual Report together with the Notice of AGM, which is also accessible through SGXNET.

PRINCIPLE 15: SHAREHOLDER PARTICIPATION

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

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

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

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

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

MATERIAL CONTRACTS

Save for the service agreements entered into between the Executive Directors and the Company, there were no other material contracts entered into by the Company or its subsidiaries involving the interests of the Chief Executive Officer, any director or controlling shareholders subsisting at the end of the financial year ended 31 March 2010.

DEALING IN SECURITIES

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

NON SPONSOR FEE

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The continuing sponsor of the Company is CIMB Bank Berhad, Singapore Branch (the "Sponsor").

The Sponsor acted as the Introducing Sponsor and was also appointed the receiving bank on the Company's IPO in 2009, for an aggregate fee of approximately S$354,000. Save as disclosed herein, there was no other non-sponsor fee paid to the Sponsor during the financial year.

INTERESTED PERSON TRANSACTIONS

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

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
	S$'000	S$'000
Foo Chew Tuck		
Lease of office premises from:		
(i) JE Holdings Pte Ltd	169	
(ii) Unity Consultancy Pte Ltd	13	
(iii) Jason Harvest Pte Ltd	35	
Total:	217	Not applicable

In addition to the above, Mr Foo Chew Tuck, Mr Tan Lian Huat and Mr Foo Chew Yin (the sibling of Mr Foo Chew Tuck) had provided guarantees and/or indemnities to secure the Group's obligations under certain credit facilities provided to the Group. No fees were paid to the guarantors for the provision of guarantee.

USE OF IPO PROCEEDS UPDATE

Purpose	Amount allocated S$'000	Amount used as at 31 March 2010 S$'000
Investments and/or joint ventures	1,500	Nil
General working capital	602	259
Total	2,102	259

RISK MANAGEMENT

Inherent Industry Risk

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

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

Dependence on key management personnel

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

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

The Directors of the Company present their report to the members together with the audited financial statements of the Group for the financial year ended 31 March 2010 and the statement of financial position of the Company as at 31 March 2010 and the statement of changes in equity of the Company for financial year ended 31 March 2010.

1. Directors

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

Foo Chew Tuck	
Tan Lian Huat	
Wong Hin Sun Eugene	(Appointed on 15 September 2009)
Sin Hang Boon @ Sin Han Bun	(Appointed on 15 September 2009)
Eileen Tay-Tan Bee Kiew	(Appointed on 15 September 2009)

2. Arrangements to enable Directors to acquire shares or debentures

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

3. Directors' interests in shares or debentures

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

	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	Balance as at 1 April 2009 or later date of appointment	Balance as at 31 March 2010	Balance as at 1 April 2009 or later date of appointment	Balance as at 31 March 2010
	Number of ordinary shares			
Company				
Foo Chew Tuck	1	86,300,000	-	-
Tan Lian Huat	1	1,000,000	-	-
Wong Hin Sun Eugene	-	-	-	2,700,000

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

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited, the Directors of the Company state that, according to the register of Directors' shareholdings, the Directors' interests as at 21 April 2010 in the shares of the Company have not changed from those disclosed as at 31 March 2010.

4. Directors' contractual benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit which is disclosed under Section 201(8) of the Act, by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for salaries, bonuses and other benefits as disclosed in the financial statements. Certain Directors received remuneration from related corporations in their capacity as Directors and/or executives of those related corporations as disclosed in Note 24 of the accompanying financial statements.

5. Share options

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

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

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

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

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

6. Audit committee

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

Eileen Tay-Tan Bee Kiew (Chairman)	(Appointed on 15 September 2009)
Sin Hang Boon @ Sin Han Bun	(Appointed on 15 September 2009)
Wong Hin Sun Eugene	(Appointed on 15 September 2009)

The Audit Committee carries out its functions in accordance with Section 201B (5) of the Companies Act, Cap. 50, and the Code of Corporate Governance, including the following:

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

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

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

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

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

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

6. Audit committee (Continued)

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

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

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

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

7. Auditors

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

8. Additional disclosure requirements of the Listing Manual of the Singapore Exchange Securities Trading Limited

The auditors of the subsidiaries and associated companies of the Company are disclosed in Note 5 and 6 to the financial statements. In the opinion of the Board of Directors and Audit Committee, Rule 716 of the Listing Manual of the SGX-ST has been complied with.

On behalf of the Board of Directors

Foo Chew Tuck
Director

Tan Lian Huat
Director

Singapore
22 June 2010

Statement By Directors

In the opinion of the Board of Directors,

(a) the accompanying financial statements comprising the statements of financial position of the Group and of the Company as at 31 March 2010, the consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity of the Group and of the Company and consolidated statement of cash flows together with the notes thereon are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2010 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

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

On behalf of the Board of Directors

Foo Chew Tuck
Director

Tan Lian Huat
Director

Singapore
22 June 2010

Independent Auditors' Report
to the members of Jason Marine Group Limited

We have audited the accompanying financial statements of Jason Marine Group Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 65 to 112 which comprise the statements of financial position of the Group and of the Company as at 31 March 2010, the consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity of the Group and of the Company and consolidated statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

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

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

Independent Auditors' Report

to the members of Jason Marine Group Limited

Opinion

In our opinion,

(a) the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2010 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

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

BDO LLP
Public Accountants and
Certified Public Accountants

Singapore
22 June 2010

Statements Of Financial Position

as at 31 March 2010

	Note	Group 2010 $'000	Group 2009 $'000	Company 2010 $'000	Company 2009 $'000
Non-current assets					
Plant and equipment	4	504	615	-	-
Investment in subsidiaries	5	-	-	15,000	*-
Investments in associates	6	110	134	-	-
Available-for-sale financial assets	7	1,058	643	-	-
Other receivable	9	184	218	-	-
		1,856	1,610	15,000	*-
Current assets					
Inventories	8	7,011	10,031	-	-
Trade and other receivables	9	10,906	16,316	35	-
Cash and cash equivalents	10	13,504	8,209	2,525	18
		31,421	34,556	2,560	18
Less:					
Current liabilities					
Trade and other payables	11	9,715	15,410	829	37
Finance lease payables	12	73	72	-	-
Bank borrowings	13	-	4,284	-	-
Current income tax payable		1,248	1,411	-	-
		11,036	21,177	829	37
Net current assets/(liabilities)		20,385	13,379	1,731	(19)
Less:					
Non-current liabilities					
Finance lease payables	12	16	89	-	-
Deferred tax liabilities	14	58	45	-	-
		74	134	-	-
		22,167	14,855	16,731	(19)
Capital and reserves					
Share capital	15	17,967	1,040	17,967	*-
Foreign currency translation reserve/ (account)	16	54	(2)	-	-
Accumulated profits/(losses)		4,146	13,817	(1,236)	(19)
Equity attributable to owners of the parent		22,167	14,855	16,731	(19)

* Denotes less than $1,000

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

Consolidated Income Statement

for the financial year ended 31 March 2010

	Note	2010 $'000	2009 $'000
Revenue	17	51,522	70,880
Cost of sales		(36,702)	(53,212)
Gross profit		14,820	17,668
Other income	18	547	1,235
Distribution costs		(3,577)	(5,419)
General and administrative expenses		(5,136)	(4,543)
Other expenses		(1,233)	(960)
Finance costs	19	(67)	(248)
Share of results of associates, net of tax		(24)	33
Profit before income tax	20	5,330	7,766
Income tax expense	21	(1,041)	(1,374)
Profit for the financial year attributable to owners of the parent		4,289	6,392
Earnings per share ("EPS") (cents)	22		
- Basic and diluted (1)		8.51	319,600,000
- Based on Post-Invitation shares (2)		4.05	6.03

(1) Calculated based on the weighted average number of ordinary shares in issue of 50,419,179 shares and 2 shares for FY2010 and FY2009 respectively.

(2) Calculated based on post-Invitation shares in issue of 106,000,000 ordinary shares.

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

Consolidated Statement Of Comprehensive Income

for the financial year ended 31 March 2010

	Note	2010 $'000	2009 $'000
Profit for the financial year		4,289	6,392
Other comprehensive income for the financial year, net of tax:	23		
Foreign currency translation relating to financial statements of foreign subsidiaries		56	(2)
Total comprehensive income for the financial year attributable to owners of the parent		4,345	6,390

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

Statements Of Changes In Equity

for the financial year ended 31 March 2010

Group	Note	Share capital $'000	Foreign currency translation reserve/ (account) $'000	Accumulated profits $'000	Total equity attributable to the owners of the parent $'000
Balance at 1 April 2009		1,040	(2)	13,817	14,855
Share swap pursuant to the restructuring exercise	15	(1,040)	-	-	(1,040)
Issuance of ordinary shares pursuant to the restructuring exercise	15	15,000	-	-	15,000
Merger reserve account pursuant to the restructuring exercise		-	-	(13,960)	(13,960)
Issuance of ordinary shares pursuant to initial public offering exercise	15	3,360	-	-	3,360
Share issue expense	15	(393)	-	-	(393)
Total comprehensive income for the financial year		-	56	4,289	4,345
Balance at 31 March 2010		17,967	54	4,146	22,167
Balance at 1 April 2008		1,040	-	7,425	8,465
Total comprehensive income for the financial year		-	(2)	6,392	6,390
Balance at 31 March 2009		1,040	(2)	13,817	14,855

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

Statements Of Changes In Equity
for the financial year ended 31 March 2010 (Continued)

Company	Note	Share capital $'000	Accumulated losses $'000	Total equity attributable to the owners of the parent $'000
Balance at 1 April 2009		*-	(19)	(19)
Issuance of ordinary shares pursuant to the restructuring exercise	15	15,000	-	15,000
Issuance of ordinary shares pursuant to initial public offering exercise	15	3,360	-	3,360
Share issue expense	15	(393)	-	(393)
Total comprehensive income for the financial year		-	(1,217)	(1,217)
Balance at 31 March 2010		17,967	(1,236)	16,731
Balance at 1 April 2008		*-	(11)	(11)
Total comprehensive income for the financial year		-	(8)	(8)
Balance at 31 March 2009		*-	(19)	(19)

* Denotes less than $1,000

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

Consolidated Statement Of Cash Flows

for the financial year ended 31 March 2010

	Note	2010 $'000	2009 $'000
Operating activities			
Profit before income tax		5,330	7,766
Adjustments for:			
Allowance for doubtful trade receivables – third parties		236	296
Allowance for inventory obsolescence		219	664
Depreciation of plant and equipment		228	219
Interest expenses		67	248
Interest income		(35)	(49)
Write back of allowance for doubtful trade receivables		(44)	(56)
Loss/(Gain) on disposal of plant and equipment		3	(8)
Share of results of associates		24	(33)
Operating cash flows before working capital changes		6,028	9,047
Working capital changes:			
Inventories		2,801	(1,444)
Trade and other receivables		5,252	(2,835)
Trade and other payables		(5,695)	890
Trust receipts		(4,284)	(2,399)
Cash generated from operations		4,102	3,259
Income tax paid		(1,190)	(811)
Net cash from operating activities		2,912	2,448
Investing activities			
Purchase of plant and equipment		(121)	(211)
Acquisition of available-for-sale financial assets		(416)	(530)
Acquisition of additional shares in associate		-	(16)
Proceeds from disposal of plant and equipment		1	14
Interest received		35	49
Net cash used in investing activities		(501)	(694)
Financing activities			
Repayments of obligations under finance leases		(72)	(61)
Proceeds from issuance of shares		3,360	-
Share issue expenses		(393)	-
Reversal/(Pledged) of fixed deposits		20	(23)
Interest paid		(67)	(248)
Net cash from/(used in) financing activities		2,848	(332)
Net change in cash and cash equivalents		5,259	1,422
Cash and cash equivalents at beginning of financial year		7,417	5,997
Foreign currency translation		56	(2)
Cash and cash equivalents at end of financial year	10	12,732	7,417

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

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

1. General corporate information

The Company was incorporated in Singapore on 9 September 2007 as an exempt private limited company under the name of Jason Marine Group Pte. Ltd. On 16 September 2009, the Company was converted to a public limited company and changed its name to Jason Marine Group Limited. The Company was listed on Catalist of the Singapore Exchange Securities Trading Limited on 21 October 2009.

The Company's registered office and principal place of business is at 194 Pandan Loop, #06-05 Pantech Business Hub, Singapore 128383. The Company's registration number is 200716601W.

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

The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

The statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 March 2010 were authorised for issue in accordance with a Directors' resolution dated 22 June 2010.

2. Summary of significant accounting policies

2.1. Basis of preparation of financial statements

The restructuring exercise for the purpose of the initial public offering involved companies which are under common control. Therefore, the consolidated financial statements of the Group for the financial year ended 31 March 2009 have been prepared in a manner similar to the "pooling-of-interest" method for certain subsidiaries under common control. Such manner of presentation reflects the economic substance of the combining companies as a single economic enterprise, although the legal parent-subsidiary relationship was not established until after the reporting date.

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

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

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

2. Summary of significant accounting policies (Continued)

2.1. Basis of preparation of financial statements (Continued)

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

FRS 1 - Presentation of Financial Statements - Revised Presentation

The Group has adopted FRS 1 (2008) from 1 April 2009. FRS 1 (2008) requires the Group to present all changes in equity arising from transactions with non-owners in profit or loss separately from those equity changes arising from transactions with owners in their capacity as owners to be presented in the statement of changes in equity. FRS 1 (2008) also requires the Group to disclose income tax relating to each component of other comprehensive income and to disclose reclassification adjustments relating to components of other comprehensive income. Where the Group restates or reclassifies comparative information, the Group will be required to present a restated balance as of the beginning of the earliest comparative period in addition to the current requirement to present the statements of financial position as at the end of the current period and comparative period. The Group has chosen to adopt two statements to present the statements of financial performance (the income statement and statement of comprehensive income).

FRS 23 - Borrowing Costs (Revised)

The Group and the Company have adopted FRS 23 (2007) prospectively from 1 April 2009. FRS 23 (2007) requires the Group and the Company to capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Group and the Company have not capitalised such borrowing costs during the financial year ended 31 March 2010.

FRS 108 - Operating Segments

The Group has adopted FRS 108 from 1 April 2009. FRS 108 replaces FRS 14 Segment Reporting and requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes to the chief operating decision maker.

Amendments to FRS 107 Financial instruments: Disclosures - Improving Disclosures about Financial Instruments

The Group has adopted Amendments to FRS 107 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments from 1 April 2009. The amendments to FRS 107 expand the disclosures required in respect of fair value measurements and liquidity risk. There was no significant impact on the Group's disclosures arising from these amendments.

2. Summary of significant accounting policies (Continued)

2.1. Basis of preparation of financial statements (Continued)

FRS and INT FRS issued but not yet effective

The Group and the Company have not adopted the following FRS and INT FRS that have been issued but not yet effective:

			Effective date (Annual periods beginning on or after)
FRS 24	:	Related Party Disclosures (Revised)	1 January 2011
FRS 27	:	Consolidated and Separate Financial Statements (Revised)	1 July 2009
FRS 32	:	Amendment to FRS 32 - Classification of Rights Issues	1 February 2010
FRS 39	:	Amendments to FRS 39 Financial Instruments - Recognition and Measurement - Eligible Hedged Items	1 July 2009
FRS 101	:	First-Time Adoption of Financial Reporting Standards (Revised)	1 July 2009
	:	Amendments to FRS 101 - Additional Exemptions for First-time Adopters	1 January 2010
	:	Amendments to FRS 101 – Limited Exemptions from Comparative FRS 107 Disclosures for First-time Adopters	1 July 2010
FRS 102	:	Amendments to FRS 102 - Group Cash-settled Share-based Payment Transactions	1 January 2010
FRS 103	:	Business Combinations (Revised)	1 July 2009
INT FRS 114	:	Amendments to INT FRS 114 - Prepayments of a Minimum Funding Requirement	1 January 2011
INT FRS 117	:	Distributions of Non-cash Assets to Owners	1 July 2009
INT FRS 118	:	Transfer of Assets from Customers	1 July 2009
INT FRS 119	:	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010

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

2. Summary of significant accounting policies (Continued)

2.1. Basis of preparation of financial statements (Continued)

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

The Group and the Company expect that the adoption of the above pronouncements, if applicable, will have no material impact on the financial statements in the period of initial application except as indicated below.

FRS 27 (2009) Consolidated and Separate Financial Statements (Revised)

FRS 27 (2009) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. In the event when control is lost, any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group will apply FRS 27 (2009) prospectively to transactions with non-controlling interests from 1 April 2010.

FRS 103 (2009) Business Combinations (Revised)

FRS 103 (2009) applies the acquisition method with certain significant changes from the purchase method referred to in FRS 103 (2006). For example, all considerations given to purchase a business are to be recorded at fair value at the acquisition date, with contingent considerations classified as debt subsequently re-measured through profit or loss if the fair value changes were to take place after the measurement period. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply FRS 103 (2009) prospectively to all business combinations taking place from 1 April 2010 onwards.

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

Acquisition under common control

Business combination arising from transfers of interest in entities that are under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. For this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the respective common control entities' financial statements. The components of equity of the acquired entities are added to the same components within the Group equity. Any difference between the cash paid for the acquisition and net assets acquired is recognised directly to equity.

Acquisition under purchase method

The purchase method of accounting is used to account for the acquisitions of subsidiaries and businesses. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest.

2. Summary of significant accounting policies (Continued)

2.2. Basis of consolidation (Continued)

Acquisition under purchase method (Continued)

The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is credited to profit or loss in the period of the acquisition.

In preparing the consolidated financial statements, inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment loss of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to align with the policies adopted by the Group to ensure consistency.

2.3. 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 its purchase price and any costs directly attributable to bringing the plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by the management. 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.

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised to profit or loss.

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

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

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

2. Summary of significant accounting policies (Continued)

2.3. Plant and equipment (Continued)

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

2.4. Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding, of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Investments in subsidiaries are stated at cost less accumulated impairment losses, if any, on the Company's separate financial statements.

2.5. Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. This generally coincides with the Group having not less than 20% or not more than 50% of the voting power and has board representation.

Investment in an associate is accounted for in the consolidated financial statements of the Group using the equity method of accounting. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

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

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

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

Accounting policies of associate have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

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 investment in an associate.

Investment in an associate is accounted for at cost less accumulated impairment losses, if any, in the Company's separate financial statements.

2. Summary of significant accounting policies (Continued)

2.6. Impairment of non-financial assets

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

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

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs 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, if no impairment loss had been recognised. Reversals of impairment losses are recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal in excess of impairment losses recognised in profit or loss in prior periods is treated as a revaluation increase. After such a reversal, the depreciation is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.7. Inventories

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

Cost is determined on a "first-in, first-out" 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 normal course of business after allowing for the costs of realisation. Allowance is made for obsolete, slow-moving and defective inventories.

2. Summary of significant accounting policies (Continued)

2.8. Financial assets

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

(i) Loans and receivables

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

(ii) Available-for-sale financial assets

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

Recognition and derecognition

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

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

On derecognition of a financial asset, the difference between the carrying amount and the net sale proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to the asset is also recognised in profit or loss.

Initial and subsequent measurement

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

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

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

2. Summary of significant accounting policies (Continued)

2.8. Financial assets (Continued)

Initial and subsequent measurement (Continued)

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest basis for debt instruments.

Impairment

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

(i) Loans and receivables

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

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

(ii) Available-for-sale financial assets

Significant or prolonged declines in the fair value of debt or equity security below its cost and the disappearance of an active trading market for the security are objective evidence that the security is impaired.

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

2.9. Cash and cash equivalents

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

2. Summary of significant accounting policies (Continued)

2.10. Financial liabilities

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

(i) Trade and other payables

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

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

(ii) Bank borrowings

Borrowings are initially recognised at the fair value, net of transaction costs incurred. Bank borrowings are subsequently stated at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Bank borrowings which are due to be settled within 12 months after the end of the reporting period are presented as current borrowings even though the original term was for a period longer than 12 months and an agreement to refinance or to reschedule payments on a long-term basis is completed after the end of the reporting period and before the financial statements are authorised for issue. Other borrowings due to be settled more than 12 months after the end of the reporting period are presented as non-current borrowings in the statements of financial position.

Recognition and derecognition

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

Financial liabilities are derecognised when the contractual obligation has been discharged or cancelled or expired.

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

2.11. Equity instruments

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

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

2. Summary of significant accounting policies (Continued)

2.12. Revenue recognition

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

Revenue from sale of goods is recognised when the goods are delivered to the customer and the significant risks and rewards of ownership has been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

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

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

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.

Government grant – Jobs credit scheme

The Singapore government introduced a cash grant known as the jobs credit scheme in its Budget for 2009 in a bid to help businesses preserve jobs in the economic downturn.The amounts received for jobs credit are to be paid to eligible employers and the amount an employer can receive would depend on the fulfillment of the conditions as stated in the Scheme.

The Group recognises the amounts received for jobs credit at their fair value as other income in the month of receipt of these grants from the government.

2.14. Leases

Finance leases

Group as lessee of finance leases

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

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

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

2. Summary of significant accounting policies (Continued)

2.14. Leases (Continued)

Operating leases

Group as lessee of operating leases

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

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

2.15. Employee benefits

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense 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. Borrowing costs

Borrowing costs are recognised as an expense in profit or loss in the financial year in which they are incurred. Borrowing costs are recognised on a time-proportion basis in profit or loss using the effective interest method.

2.17 Income tax

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

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

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

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

2. Summary of significant accounting policies (Continued)

2.17 Income tax (Continued)

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

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

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

2.18. Foreign currencies

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

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

In preparing the financial statements, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded at the rates of exchange prevailing on the date of the transaction. 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 settlements of monetary items and on re-translating of monetary items are included 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 of the Group, the results and financial positions of all 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 reporting date;

2. Summary of significant accounting policies (Continued)

2.18. Foreign currencies (Continued)

(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 exchange differences are recognised in other comprehensive income.

On disposal of a foreign operation, the cumulative amount of exchange differences deferred in equity relating to that foreign operation is recognised in profit or loss when the gain or loss on disposal is recognised.

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.

3. Critical accounting judgements and key sources of estimation uncertainty

3.1. Critical judgements in applying the accounting policies

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

(i) Impairment of investments in subsidiaries and financial assets

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

3.2. Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty 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 reported amounts of revenue and expenses within the next financial year, are discussed below.

(i) Depreciation of plant and equipment

Plant and equipment are depreciated on a straight-line method over their estimated useful lives. The management estimates the useful lives of these assets to be within 3 to 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's plant and equipment as at 31 March 2010 was approximately $504,000 (2009: $615,000).

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

3.2. Key sources of estimation uncertainty (Continued)

(ii) Allowance for doubtful trade receivables

The management establishes allowance for impairment loss for doubtful trade receivables on a case-by-case basis when they believe that payment of amounts owed is unlikely to occur. In establishing these allowances, the management considers the historical experience and changes to its customers' financial position. If the financial conditions of receivables were to deteriorate, resulting in impairment of their abilities to make the required payments, additional allowances may be required. The carrying amount of the Group's trade and other receivables as at 31 March 2010 was approximately $10,906,000 (2009: $16,316,000).

(iii) Allowance for inventory obsolescence

Inventories are stated at the lower of cost and net realisable value. The management primarily determines cost of inventories using the 'first-in, first-out' method. The management estimates the net realisable value of inventories based on assessment of receipt or committed sales prices and provide for excess and obsolete inventories based on accumulation of aged inventories, estimated future demand and related pricing. In determining excess quantities, the management considers inventory forecast uncertainty, recent sales activities, related margin and market positioning of its products. However, factors beyond its control, such as demand levels, technological advances 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 2010 was approximately $7,011,000 (2009: $10,031,000).

(iv) Income taxes

The Group recognises expected income tax liabilities based on estimates of income tax payable. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters differs from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the financial years in which such determination is made. The carrying amounts of the Group's current income tax payable and deferred tax liabilities as at 31 March 2010 were approximately $1,248,000 and $58,000 (2009: $1,411,000 and $45,000), respectively.

(v) Allowance for available-for-sale financial assets

Management has determined that the fair value of the Group's available-for-sale investment cannot be reliably measured and accordingly, the investment is stated at cost less impairment losses, if any.

Determining whether the available-for-sale unquoted equity investment amounting to approximately $1,058,000 (2009: $643,000) is impaired requires an estimation of the value in use of the investment. The value in use calculation requires the Group to estimate the future cash flows expected and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the recoverability of the investment and is confident that the allowance for impairment losses, where necessary, is adequate.

4. 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								
2010								
Cost								
Balance at 1 April 2009	152	273	502	34	162	95	618	1,836
Additions	16	7	11	2	18	19	48	121
Disposals	(33)	-	-	-	-	(2)	(78)	(113)
Balance at 31 March 2010	135	280	513	36	180	112	588	1,844
Accumulated depreciation								
Balance at 1 April 2009	96	214	263	33	73	79	463	1,221
Depreciation for the financial year	18	11	58	2	17	17	105	228
Disposals	(31)	-	-	-	-	(2)	(76)	(109)
Balance at 31 March 2010	83	225	321	35	90	94	492	1,340
Net book value								
Balance at 31 March 2010	52	55	192	1	90	18	96	504
2009								
Cost								
Balance at 1 April 2008	146	260	402	34	84	95	537	1,558
Additions	6	13	133	-	78	-	84	314
Disposals	-	-	(33)	-	-	-	(3)	(36)
Balance at 31 March 2009	152	273	502	34	162	95	618	1,836
Accumulated depreciation								
Balance at 1 April 2008	78	201	235	31	64	64	359	1,032
Depreciation for the financial year	18	13	58	2	9	15	104	219
Disposals	-	-	(30)	-	-	-	-	(30)
Balance at 31 March 2009	96	214	263	33	73	79	463	1,221
Net book value								
Balance at 31 March 2009	56	59	239	1	89	16	155	615

4. Plant and equipment (Continued)

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

	Group	
	2010	2009
	$'000	$'000
Motor vehicles	192	239

Finance leased asset is pledged as a security for the related finance lease payables (Note 12).

For the purpose of consolidated statement of cash flows, the Group's additions to plant and equipment were financed as follows:

	Group	
	2010	2009
	$'000	$'000
Additions of plant and equipment	121	314
Acquired under finance lease agreements	-	(103)
Cash payments to acquire plant and equipment	121	211

5. Investments in subsidiaries

	Company	
	2010	2009
	$'000	$'000
Unquoted equity shares in corporations, at cost	15,000	*-

* Denotes less than $1,000

The particulars of the subsidiaries are as follows:

Name of company (Country of incorporation)	Effective equity interest		Principal activities
	2010 %	2009 %	
Held by Company			
Jason Electronics (Pte) Ltd [1] (Singapore)	100	-	Design, integration, installation and commissioning of radio, satellite communication and navigational systems
Jason Asia Pte Ltd [1] (Singapore)	100	-	Servicing of communication and navigational systems
Jason Venture Pte. Ltd. [1] (Singapore)	100	100	Investment holding company

5. Investments in subsidiaries (Continued)

Name of company (Country of incorporation)	Effective equity interest 2010 %	Effective equity interest 2009 %	Principal activities
Held by Jason Venture Pte. Ltd.			
Jason Elektronik (M) Sdn. Bhd.[2] (Malaysia)	100	100	Trading and servicing of communication, navigation, and automation equipment
Jason (Shanghai) Co., Ltd [3] (People's Republic of China)	100	100	Sales and service of radio, satellite communication and navigation system
PT Jason Elektronika [4] (Indonesia)	99	99	Import trading, maintenance and support services of communication, navigation and automation equipment and spares

(1) Audited by BDO LLP, Singapore

(2) Audited by UHY Diong, Chartered Accountants, Malaysia

(3) Audited by Shanghai Dacheng Certified Public Accountants, People's Republic of China

(4) Audited by KAP Tanubrata Sutanto & Rekan, Indonesia, a member of BDO International Limited

6. Investments in associates

	Group 2010 $'000	Group 2009 $'000
Unquoted equity investments, at cost	103	103
Share of results of associates	7	31
	110	134

6. Investments in associates (Continued)

The particulars of the associates are as follows:

Name of company (Country of incorporation)	Effective equity interest 2010 %	Effective equity interest 2009 %	Principal activities
Jason Electronics (Thailand) Co., Ltd [1] (Thailand)	49	49	Sales and service of radio, satellite communications and navigational system
Sing Partners Marine Pte. Ltd. [2] (Singapore)	-	20	Dormant
iPromar (Pte.) Ltd. [3] (Singapore)	25	25	Dormant

[1] Audited by BDO Limited, Thailand

[2] Under members' voluntary liquidation #

[3] Audited by Akber Ali & Co., Certified Public Accountants, Singapore

Sing Partners Marine Pte. Ltd. was placed under members' voluntary liquidation pursuant to Section 290 (1)(b) of the Singapore Companies Act, Cap. 50 on 26 January 2010. The final meeting for the liquidation was held on 15 April 2010.

The summarised financial information of the associates was as follows:

	2010 $'000	2009 $'000
Assets and liabilities		
Non-current assets	56	69
Current assets	317	554
Non-current liabilities	(13)	(84)
Current liabilities	(112)	(139)
Results		
Revenue	605	262
(Loss)/Profit for the financial year	(102)	50

7. Available-for-sale financial assets

	Group	
	2010	2009
	$'000	$'000
Unquoted investments		
Balance at beginning of financial year	246	112
Additions	812	134
Balance at end of financial year	1,058	246
Convertible bond		
Convertible bond to e-MLX	-	397
	1,058	643

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

On 10 September 2008, the Group entered into a Convertible Bond Subscription Agreement (the "Agreement") with e-MLX Co., Ltd ("e-MLX"), a company incorporated in Korea and Ung Gyu Kim, a shareholder of e-MLX, to subscribe to convertible bonds with a total face value of KRW345,000,000 (approximately $400,000). The convertible bond bears an effective interest rate of 5% per annum. The Group has the right to redeem, at any time, the convertible bond in full within 3 years from the date of the Agreement. Upon conversion, the Group will have a 5% shareholding of the issued share capital of e-MLX.

In addition, under the Agreement, the Group has the right to have additional investments of up to KRW2 billion for the acquisition of up to 29% of the enlarged total issued share capital of e-MLX.

On 28 December 2009, the Group converted the entire convertible bonds into 4,118 redeemable convertible preference shares ("RCPS") in e-MLX with a par value of KRW10,000 (approximately $12) for each RCPS.

In addition, the Group subscribed for an additional 4,118 RCPS for an aggregate principal amount of KRW345,000,000 (approximately $400,000). The subscription was made entirely from the internally generated funds of the Company.

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

	Group	
	2010	2009
	$'000	$'000
Singapore dollar	204	204
Korean won	812	397
Indian rupee	42	42
	1,058	643

8. Inventories

	Group	
	2010 $'000	2009 $'000
Trading goods	7,011	10,031

Movement in allowance for inventories obsolescence was as follows:

	Group	
	2010 $'000	2009 $'000
Balance at beginning of financial year	1,026	362
Allowance made during the financial year	219	664
Balance at end of financial year	1,245	1,026

The cost of inventories recognised as an expense and included in "cost of sales" line item in profit or loss was approximately $25,751,000 (2009: $41,297,000).

As at 31 March 2010, the Group carried out a review of the realisable values of its inventories and the review led to the recognition of an allowance for inventory obsolescence of approximately $219,000 (2009: $664,000) that has been included in "other expenses" line item in profit or loss.

9. Trade and other receivables

	Group		Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Non-current				
Advance to staff	184	218	-	-
Current				
Trade receivables				
- third parties	10,527	16,203	-	-
- associate	45	83	-	-
	10,572	16,286	-	-
Allowance for doubtful trade receivables				
- third parties	(459)	(340)	-	-
	10,113	15,946	-	-
Security and other deposits	119	86	-	-
Prepayments	566	173	34	-
Advance to staff	71	73	-	-
Other receivables	37	38	1	-
	10,906	16,316	35	-
	11,090	16,534	35	-

9. Trade and other receivables (Continued)

Trade receivables are non-interest bearing and generally on 30 to 90 days' terms (2009: 30 to 90 days' terms).

The trade amounts due from an associate are unsecured, interest-free and repayable within the normal trade credit term.

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

	Group	
	2010	2009
	$'000	$'000
In the second year	71	71
In the third year	71	71
In the fourth year	42	76
	184	218

The non-current portion of advance to staff approximates its fair value.

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

	Group	
	2010	2009
	$'000	$'000
Balance at beginning of financial year	340	142
Allowance made during the financial year	236	296
Write back of allowance during the financial year	(44)	(56)
Bad trade receivables written off against allowance	(73)	(42)
Balance at end of financial year	459	340

Allowance for doubtful third parties trade receivables of approximately $236,000 (2009: $296,000) was recognised in profit or loss under "other expenses" line item subsequent to a debt recovery assessment performed during the financial year.

The write back of allowance for doubtful trade receivables amounting to approximately $44,000 (2009: $56,000) was recognised in profit or loss under "other income" line item when the trade receivables were subsequently recovered.

9. Trade and other receivables (Continued)

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Singapore dollar	5,853	10,681	35	-
United States dollar	4,327	5,208	-	-
Euro	279	515	-	-
Ringgit Malaysia	581	108	-	-
Others	50	22	-	-
	11,090	16,534	35	-

10. Cash and cash equivalents

	Group		Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Fixed deposits	10,435	3,273	2,500	-
Cash and bank balances	3,069	4,936	25	18
Cash and cash equivalents on statements of financial position	13,504	8,209	2,525	18
Fixed deposits pledged	(772)	(792)		
Cash and cash equivalents included in the consolidated statement of cash flows	12,732	7,417		

Fixed deposits are placed for one week to six months (2009: one to two months) from the reporting period and the effective interest rates on the fixed deposits were 0.0625% to 0.3800% (2009: 0.0625% to 4.75%) per annum.

As at the end of the reporting date, fixed deposits of approximately $772,000 (2009: $792,000) have been pledged as securities for banking facilities as disclosed in Note 13 to the financial statements.

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Singapore dollar	9,882	3,121	2,525	18
United States dollar	2,516	3,891	-	-
Euro	863	1,066	-	-
Others	243	131	-	-
	13,504	8,209	2,525	18

11. Trade and other payables

	Group		Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Trade payables				
- third parties	4,779	7,096	-	-
Non-trade payables				
- related company	-	-	725	-
- related party	-	-	-	25
- third parties	299	236	4	-
	299	236	729	25
Accrued operating expenses	2,617	4,427	100	12
Advance billings	1,856	3,496	-	-
Customers' deposits	164	155	-	-
	9,715	15,410	829	37

Trade payables are non-interest bearing and repayable within the normal trade credit term of 30 to 120 days (2009: 30 to 120 days).

The non-trade amounts due to a related party and a related company are unsecured, interest-free and payable on demand.

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Singapore dollar	5,293	9,160	829	37
United States dollar	3,033	3,709	-	-
Euro	574	1,669	-	-
British pound	83	184	-	-
Japanese yen	132	220	-	-
Norwegian kroner	471	353	-	-
Others	129	115	-	-
	9,715	15,410	829	37

12. Finance lease payables

Group	Minimum lease payments $'000	Future finance charges $'000	Present value of minimum lease payments $'000
2010			
Current liabilities			
Within one financial year	76	(3)	73
Non-current liabilities			
After one financial year but within five financial years	16	*-	16
	92	(3)	89
2009			
Current liabilities			
Within one financial year	79	(7)	72
Non-current liabilities			
After one financial year but within five financial years	92	(3)	89
	171	(10)	161

* Denotes less than $1,000

The finance lease terms range from 3 to 7 years (2009: 3 to 7 years). The effective interest rates for the finance lease obligations were 4.74% to 6.09% (2009: 4.74% to 6.09%) per annum.

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

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

The finance lease payables are denominated in Singapore dollar.

13. Bank borrowings

	Group	
	2010 $'000	2009 $'000
Trust receipts	-	4,284

In the previous financial year, the trust receipts have maturity of 3 to 5 months and bear interest ranging from 2.06% to 6.75% per annum.

13. Bank borrowings (Continued)

Banking facilities are secured by:

(a) fixed deposits with banks of approximately $772,000 (2009: $792,000) as referred to in Note 10 to the financial statements; and

(b) personal guarantee of certain Directors of the Company amounting to approximately $692,000 (2009: $4,867,000).

As at the end of the reporting period, the Group has banking facilities as follows:

	Group	
	2010	2009
	$'000	$'000
Banking facilities granted	9,405	10,340
Banking facilities utilised		
- trust receipts	-	4,284
- bankers' guarantee	692	583
	692	4,867

Bank borrowings are denominated in the following currencies:

	Group	
	2010	2009
	$'000	$'000
Singapore dollar	-	2,356
United States dollar	-	1,864
Japanese yen	-	64
	-	4,284

14. Deferred tax liabilities

	Group	
	2010	2009
	$'000	$'000
Balance at beginning of financial year	45	45
Charged to profit or loss	13	-
Balance at end of financial year	58	45

Deferred tax liabilities arise as a result of temporary differences between the tax written down values and the net book values of the plant and equipment computed at the prevailing statutory income tax rate of 17% (2009: 17%).

15. Share capital

	Group and Company	
	2010	2009
	$'000	$'000
Issued and fully-paid		
1,040,076 (2009: 2) ordinary shares at beginning of financial year	1,040	*-
Share swap of 1,040,074 ordinary shares pursuant to the restructuring exercise	(1,040)	-
Issuance of 14,999,998 ordinary shares pursuant to the restructuring exercise	15,000	-
Sub-division of 1 share into 6 shares	-	-
Issuance of 16,000,000 ordinary shares pursuant to initial public offering exercise	3,360	-
Share issue expenses	(393)	-
106,000,000 (2009: 2) ordinary shares at end of financial year	17,967	*-

* Denotes less than $1,000

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.

On 15 September 2009, the Company issued 14,999,998 ordinary shares pursuant to the restructuring exercise for the acquisition of Jason Electronics (Pte) Ltd and Jason Asia Pte Ltd for a consideration of approximately $15,000,000.The ordinary shares of the Company were increased to 90,000,000 ordinary shares through the sub-division of every 1 ordinary share in the Company into 6 ordinary shares.

On 20 October 2009, the Company issued 16,000,000 ordinary shares at $0.21 per share for cash pursuant to the Company's initial public offering.The intended use of the net proceeds from the initial public offering will be for investment and/or joint ventures and general working capital.

Included in the share issue expenses were professional fees paid to the auditors of the Company amounting to approximately $26,000 in respect of the professional services rendered as independent reporting auditors in connection with the Company's initial public offering.

16. Foreign currency translation reserve/(account)

The foreign currency translation reserve/(account) comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from that of the Group's presentation currency and is non-distributable.

17. Revenue

	Group	
	2010	2009
	$'000	$'000
Sale of goods	39,463	56,550
Rendering of services	9,898	11,903
Airtime revenue	2,161	2,427
	51,522	70,880

18. Other income

	Group	
	2010	2009
	$'000	$'000
Interest income	35	49
Write-back of allowance for doubtful trade receivables	44	56
Foreign exchange gain, net	-	543
Gain on disposal of plant and equipment	-	8
Government grant		
- jobs credit scheme	384	107
- others	70	37
Sales commission	-	427
Sundry income	14	8
	547	1,235

19. Finance costs

	Group	
	2010	2009
	$'000	$'000
Interest expenses		
- finance leases	7	8
- trust receipts	60	240
	67	248

20. Profit before income tax

The above is arrived at after charging:

	Group	
	2010	2009
	$'000	$'000
Distribution costs		
Entertainment	223	222
Transportation and travelling	394	391
General and administrative expenses		
Depreciation of plant and equipment	228	219
Initial public offering expenses **	865	-
Legal and professional charges	354	355
Loss on disposal of plant and equipment	3	-
Operating lease expenses		
- rental of office equipment	12	14
- rental of office	478	359
Other expenses		
Foreign exchange loss, net	778	-
Allowance for doubtful trade receivables - third parties	236	296
Allowance for inventories obsolescence	219	664

** Included in IPO expenses is an amount approximately $146,000 paid to the auditors of the Company in respect of professional services rendered as independent reporting auditors.

The profit before income tax also includes:

	Group	
	2010	2009
	$'000	$'000
Staff costs		
Salaries, wages and bonuses	7,363	10,796
Contributions to defined contribution plans	714	1,001
Other employee benefits	303	268
	8,380	12,065

The staff costs are recognised in the following line items in profit or loss:

	Group	
	2010	2009
	$'000	$'000
Cost of sales	3,390	4,986
Distribution costs	2,697	4,558
General and administrative expenses	2,293	2,521
	8,380	12,065

The staff costs include the remuneration of Directors as shown in Note 24 to the financial statements.

21. Income tax expense

	Group	
	2010 $'000	2009 $'000
Current income tax		
- current financial year	1,118	1,324
- (over)/under provision in prior financial years	(90)	50
	1,028	1,374
Deferred income tax		
- current financial year	13	-
Total income tax expense recognised in profit or loss	1,041	1,374

Reconciliation of effective income tax rate

	Group	
	2010 $'000	2009 $'000
Profit before income tax	5,330	7,766
Income tax calculated at Singapore's statutory income tax rates of 17%	906	1,320
Effect of different income tax rate in other country	(3)	(1)
Expenses not deductible for income tax purposes	316	69
Income not subject to tax	(66)	(1)
Double deduction of approved expenses	(3)	(10)
Utilisation of previously unrecognised tax losses	-	(27)
Tax exemption	(52)	(51)
Effect of changes in income tax rate	-	(3)
Deferred tax assets not recognised	6	-
(Over)/under provision of income tax in prior financial years	(90)	50
Others	27	28
	1,041	1,374

As at 31 March 2010, the Group has unabsorbed capital allowances and tax losses amounting to approximately $8,500 (2009: $Nil) and $27,000 (2009: $Nil) respectively, which are subject to agreement with the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the Company and its subsidiaries operate.

The unrecognised deferred tax assets relating to certain subsidiaries have not been recognised as there is no certainty that there will be sufficient future taxable profits to realise these future benefits. Accordingly, the deferred tax assets have not been recognised in the financial statements in accordance with the accounting policy in Note 2.17 to the financial statements.

22. Earnings per share

Basic earnings per share is calculated by dividing the profit after income tax attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

As the Group has no dilutive potential ordinary shares, the diluted earnings per share are equivalent to basic earnings per share.

	Group	
	2010	2009
The calculation of basic and diluted earnings per share is based on:		
Profit after income tax attributable to owners of the parent ($'000)	4,289	6,392
Weighted average (2009: Actual) number of ordinary shares ('000)	50,419	***-
The calculation of earnings per share based on Post-Invitation is based on:		
Profit after income tax attributable to owners of the parent ($'000)	4,289	6,392
Post-Invitation shares ('000)	106,000	106,000

*** denotes share capital comprising two ordinary shares

The calculation for the earnings per share were based on Post-Invitation of 106,000,000 ordinary shares issued on 20 October 2009.

23. Other comprehensive income

	Group					
	2010			2009		
	Before-tax amount $'000	Tax expense $'000	Net-of-tax amount $'000	Before-tax amount $'000	Tax expense $'000	Net-of-tax amount $'000
Exchange differences on translating foreign operations	56	-	56	(2)	-	(2)
Other comprehensive income	56	-	56	(2)	-	(2)

24. Significant related party transactions

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, the following were significant related party transactions between the Group and its related parties during the financial year at rates and terms agreed between the parties:

	Group	
	2010	2009
	$'000	$'000
Related parties		
Rental of office premises from related parties	217	209
Acquisition of an available-for-sale financial asset from a related party	-	134
Consultancy fee charges by a related party	-	68
Associate		
Sales to an associate	134	383
Sub-contract charges from an associate	109	312
With directors		
Acquisition of unquoted investments in Jason Electronics (Pte) Ltd and Jason Asia Pte Ltd from directors	15,000	-

Compensation of key management personnel

The remuneration of Directors during the financial year are as follows:

	Group	
	2010	2009
	$'000	$'000
Directors' fees	70	-
Short-term benefits	1,127	1,083
Post-employment benefits	-	29
	1,197	1,112
Analysed into:		
- Directors of the Company	241	-
- Directors of a subsidiary	956	1,112
	1,197	1,112

25. Operating lease commitments

Group as a lessee

As at the end of the reporting period, there were operating lease commitments for rental payable in subsequent accounting periods as follows:

	2010 $'000	2009 $'000
Not later than one financial year	404	319
Later than one financial year but not later than five financial years	115	-
	519	319

The above operating lease commitments are based on existing rental rates. The lease agreements provide for periodic revision of such rates in the future.

26. Segment information

For management purposes, the Group is organised into business unit based on their products and services and has three reportable segments as follows:

(i) Sale of goods;

(ii) Rendering of services; and

(iii) Airtime revenue.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports reviewed by the Group's Executive Directors. Segment profit before income tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis and mutually agreed terms.

26. Segment information (Continued)

	Sale of goods $'000	Rendering of services $'000	Airtime revenue $'000	Unallocated $'000	Adjustments and eliminations $'000	Total $'000
2010						
Revenue						
External revenue	39,463	9,898	2,161	-	-	51,522
Inter-segment revenue	215	389	2	-	(606)	-
	39,678	10,287	2,163	-	(606)	51,522
Results						
Interest income	6	2	1	52	(26)	35
Interest expense	(66)	(1)	-	(26)	26	(67)
Depreciation of plant and equipment	(105)	(88)	-	(35)	-	(228)
Share of results of associates	-	-	-	(8)	(16)	(24)
Other non-cash expenses:						
- allowance for doubtful trade receivables	(101)	(133)	(2)	-	-	(236)
- allowance for inventories obsolescence	(177)	(42)	-	-	-	(219)
Segment profit	4,509	580	564	(582)	259	5,330
Capital expenditure						
Plant and equipment	46	50	-	25	-	121
Assets and liabilities						
Segment assets	24,685	7,021	1,025	2,787	(3,409)	32,109
Available-for-sale financial assets	-	-	-	1,062	(4)	1,058
Investments in associates	-	-	-	127	(17)	110
Segment liabilities	9,043	2,218	477	2,779	(3,407)	11,110

26. Segment information (Continued)

	Sale of goods $'000	Rendering of services $'000	Airtime revenue $'000	Unallocated $'000	Adjustments and eliminations $'000	Total $'000
2009						
Revenue						
External revenue	56,550	11,903	2,427	-	-	70,880
Inter-segment revenue	362	74	-	-	(436)	-
	56,912	11,977	2,427	-	(436)	70,880
Results						
Interest income	25	5	1	26	(8)	49
Interest expense	(247)	(1)	-	(8)	8	(248)
Depreciation of plant and equipment	(142)	(47)	-	(30)	-	(219)
Share of result of associates	-	-	-	34	(1)	33
Other non-cash expenses:						
- allowance for doubtful trade receivables	(165)	(125)	(6)	-	-	(296)
- allowance for inventories obsolescence	(552)	(112)	-	-	-	(664)
Segment profit	6,741	630	644	(248)	(1)	7,766
Capital expenditure						
Plant and equipment	252	27	-	35	-	314
Assets and liabilities						
Segment assets	29,350	6,500	897	736	(2,094)	35,389
Available-for-sale financial assets	-	-	-	647	(4)	643
Investments in associates	-	-	-	135	(1)	134
Segment liabilities	17,442	3,657	746	1,557	(2,091)	21,311

26. Segment information (Continued)

Geographical information

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

	2010 $'000	2009 $'000
Revenue from external customers		
Singapore	24,327	29,811
People's Republic of China	13,825	19,555
Southeast Asia other than Singapore	7,455	11,538
Others	5,915	9,976
	51,522	70,880
Non-current assets		
Singapore	475	638
People's Republic of China	235	262
Southeast Asia other than Singapore	88	66
Others	-	1
	798	967

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

Major customer

Revenue from one customer of the Group's business unit represents approximately 13% (2009: 7%) of total revenue.

27. Financial instruments, financial risk and capital management

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

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

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. The Group does not hold or issue derivative financial instruments for trading purposes.

27.1. Credit risk

Credit risks refer to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

27. Financial instruments, financial risk and capital management (Continued)

27.1. Credit risk (Continued)

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except for the top five (2009: five) trade receivables from third parties amounting to approximately $3,080,000 (2009: $3,896,000) as at the end of the reporting period.

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

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

Bank deposits are mainly deposits with reputable banks with high credit ratings.

Trade receivables that are neither past due nor impaired are substantially companies with good collection track records with the Group. The Group's historical experience in the collection of receivables falls within the recorded allowances.

The age analysis of trade receivables that are past due but not impaired is as follows:

	Group			
	Gross 2010 $'000	Impairment 2010 $'000	Gross 2009 $'000	Impairment 2009 $'000
Past due 0 to 1 months	3,073	-	4,902	-
Past due 1 to 2 months	651	-	1,142	-
Past due 2 to 3 months	415	-	641	-
Past due over 3 months	2,451	459	1,980	340

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

27.2. Market risk

(i) Foreign exchange risk

Foreign currency risk arises from transactions denominated in currencies other than the functional currency of the Group. The currencies that give rise to this risk are primarily United States dollar, Euro, Ringgit Malaysia, British pound, Japanese yen and Norwegian kroner.

The Group monitors its foreign currency exchange risks closely and maintains funds in various currencies to minimise currency exposure due to timing differences between sales and purchases. Currency translation risk arises when commercial transactions, recognised assets and liabilities and net investment in foreign operations are denominated in the currency that is not the entity's functional currency.

It is not the Group's policy to take speculative positions in foreign currencies. Where appropriate, the Group enters into foreign currency forward currency contracts with its principal bankers to mitigate the foreign currency risks (mainly export sales and import purchases).

27. Financial instruments, financial risk and capital management (Continued)

27.2. Market risk (Continued)

(i) *Foreign exchange risk* (Continued)

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the Group's presentation currency are disclosed in the respective notes to the financial statements.

Foreign currency sensitivity analysis

The Group transacts business mainly in Singapore dollar, United States dollar, Euro, Ringgit Malaysia, British pound, Japanese Yen and Norwegian Kroner.

The following table details the Group's sensitivity to a 5% change in Singapore dollar, United States dollar, Euro, Ringgit Malaysia, British pound, Japanese yen and Norwegian kroner against Singapore dollar. The sensitivity analysis assumes an instantaneous 5% change in the foreign currency exchange rates from the reporting date, 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, Ringgit Malaysia, British pound, Japanese yen and Norwegian kroner are included in the analysis. Consequentially, reported changes in the values of some of the financial instruments impacting the results of the sensitivity analysis are not matched with the offsetting changes in the values of certain excluded items that those instruments are designed to finance or hedge.

	Profit before income tax		Equity	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
United States dollar				
Strengthened against Singapore dollar	190	176	-	-
Weakened against Singapore dollar	(190)	(176)	-	-
Euro				
Strengthened against Singapore dollar	28	(4)	-	-
Weakened against Singapore dollar	(28)	4	-	-
Japanese yen				
Strengthened against Singapore dollar	(6)	(14)	-	-
Weakened against Singapore dollar	6	14	-	-
British pound				
Strengthened against Singapore dollar	(4)	(9)	-	-
Weakened against Singapore dollar	4	9	-	-

27. Financial instruments, financial risk and capital management (Continued)

27.2 Market risk (Continued)

(i) Foreign exchange risk (Continued)

Foreign currency sensitivity analysis (Continued)

	Profit before income tax		Equity	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Ringgit Malaysia				
Strengthened against Singapore dollar	39	10	(5)	(3)
Weakened against Singapore dollar	(39)	(10)	5	3
Norwegian kroner				
Strengthened against Singapore dollar	23	18	-	-
Weakened against Singapore dollar	(23)	(18)	-	-
Others ****				
Strengthened against Singapore dollar	1	1	2	-
Weakened against Singapore dollar	(1)	(1)	(2)	-

**** Other currencies include Chinese Renminbi and Indonesian rupiah.

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

(ii) Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to short-term bank deposits, finance lease payables and bank borrowings as shown in Notes 10,12 and 13 of the financial statements.

The Group's results are affected by changes in interest rates due to the impact of such changes on interest income and expenses from short-term bank deposits and bank borrowings which are at floating interest rates. It is the Group's policy to obtain quotes from banks to ensure that the most favourable rates are made available to the Group.

27. Financial instruments, financial risk and capital management (Continued)

27.2 Market risk (Continued)

(ii) Interest rate risk (Continued)

If the interest rate increases or decreases by 5% (2009: 5%), profit before income tax of the Group, will (decrease)/increase by:

	Group	
	2010	2009
	$'000	$'000
Bank borrowings	-	12

27.3. Liquidity risk

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

The Group actively manages its operating cash flows so as to finance the Group's operations. As part of their overall prudent liquidity management, the Group minimises 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 its working capital requirement.

The following table details the Group's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up using undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay).

Group	Within one financial year $'000	After one financial year but within five financial years $'000	Total $'000
2010			
Financial liabilities			
Non-interest bearing	9,715	-	9,715
Fixed interest bearing	76	16	92
	9,791	16	9,807
2009			
Financial liabilities			
Non-interest bearing	15,410	-	15,410
Variable interest bearing	4,284	-	4,284
Fixed interest bearing	79	92	171
	19,773	92	19,865

27. Financial instruments, financial risk and capital management (Continued)

27.3. Liquidity risk (Continued)

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

27.4. Capital management policies and objectives

The Group manages its capital to ensure that the Group is able to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. The Group is not subject to any externally imposed capital requirements for the financial years ended 31 March 2010 and 2009.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group's overall strategy remains unchanged from 2009.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables, finance lease payables and bank borrowings less cash and cash equivalents. Capital consists of the total capital and reserves.

	Group	
	2010	**2009**
	$'000	**$'000**
Trade and other payables	9,715	15,410
Finance lease payables	89	161
Bank borrowings	-	4,284
Less: Cash and cash equivalents	(13,504)	(8,209)
Net (cash)/debt	(3,700)	11,646
Capital and reserves	22,167	14,855
Capital and net debt	18,467	26,501
Gearing ratio (%)	n.m.	43.9

n.m. – The gearing ratio for 31 March 2010 is not disclosed as it is not meaningful because the cash and cash equivalents is higher than all the Group's liabilities.

27.5. Fair value of financial assets and financial liabilities

The carrying amounts of the Group's current financial assets and financial liabilities approximate their respective fair values as at the end of the reporting date due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

28. Events after the end of the reporting period

In April 2010, Jason Venture Pte. Ltd., a wholly owned subsidiary of the Company established a joint venture company known as "Jason Korea Co., Ltd" with third party joint venture partners. The Group's equity interest in this joint venture company is 51% and its share of capital contribution is Korean Won 10,200,000 ($12,750). The principal activities of the joint venture company are those of the manufacturing, sales and service of marine, offshore and industrial communication, navigation and automation systems.

29. Comparative figures

As described in Note 2.1 to the consolidated financial statements, the comparative figures of the Group for the preceding financial year have been presented under pooling-of-interest manner. The effective date of the pooling-of-interest for accounting purposes predates 1 April 2008, the beginning of the financial year for which the comparative figure are presented, as the Group have been under common control prior to 1 April 2008.

Shareholding Statistics
as at 14 June 2010

ISSUED AND FULLY PAID-UP CAPITAL	:	S$17,966,654
NO. OF SHARES ISSUED	:	106,000,000
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS		ONE VOTE PER SHARE

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
1 - 999	0	0.00	0	0.00
1,000 - 10,000	222	49.01	1,389,000	1.31
10,001 - 1,000,000	226	49.89	11,312,000	10.67
1,000,001 & ABOVE	5	1.10	93,299,000	88.02
TOTAL	453	100.00	106,000,000	100.00

TOP TWENTY SHAREHOLDERS

NAME OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
FOO CHEW TUCK	86,300,000	81.42
SIRIUS VENTURE CONSULTING PTE LTD	2,700,000	2.55
OCBC SECURITIES PRIVATE LTD	1,802,000	1.70
THOMAS TAN SOON SENG (THOMAS CHEN SHUNCHENG)	1,477,000	1.39
TAN LIAN HUAT	1,020,000	0.96
LEE WEE MIN	510,000	0.48
PANG YOKE MIN	500,000	0.47
TAN HENG CHIN	500,000	0.47
CIMB SECURITIES (S'PORE) PTE LTD	486,000	0.46
LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	400,000	0.38
LIM HONG GEK JULIET	300,000	0.28
PHILLIP SECURITIES PTE LTD	242,000	0.23
WOON SEOW GEK AGNES	200,000	0.19
KWA CHIN TIONG ALBERT	198,000	0.19
JANE TAN SAI GECK	170,000	0.16
LEE GEOK LOY	170,000	0.16
TEO HAI SOON	160,000	0.15
SEAH TECK LAN	150,000	0.14
TE KIM HOE	147,000	0.14
LOH YIH	125,000	0.12
TOTAL	97,557,000	92.04

Substantial Shareholder	Direct Interest	Deemed Interest
Foo Chew Tuck	86,300,000	-

Percentage of Shareholding in Public's Hands

Based on the information available to the Company as at 14 June 2010, approximately 15.08% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

Notice Of Annual General Meeting

JASON MARINE GROUP LIMITED

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Jason Marine Group Limited (the "Company") will be held at 194 Pandan Loop, #06-05 Pantech Business Hub, Singapore 128383 on Friday, 23 July 2010 at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2010 and the Reports of the Directors and the Auditors thereon. **(Resolution 1)**

2. To approve the Directors' fees of S$68,750.00 for the financial year ended 31 March 2010. **(Resolution 2)**

3. To re-elect the following Directors retiring in accordance with the Company's Articles of Association:-

   (a) Mr Foo Chew Tuck (retiring under Article 98 of the Articles of Association of the Company) **(Resolution 3)**

   (b) Mr Wong Hin Sun, Eugene (retiring under Article 102 of the Articles of Association of the Company) **(Resolution 4)**

   (c) Mrs Eileen Tay-Tan Bee Kiew (retiring under Article 102 of the Articles of Association of the Company) **(Resolution 5)**

   [See Explanatory Note 1]

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

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

SPECIAL BUSINESS

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

6. AUTHORITY TO ALLOT AND ISSUE SHARES

"THAT pursuant to Section 161 of the Companies Act, Cap. 50 and subject to Rule 806 of the Rules of Catalist, authority be and is hereby given to the Directors of the Company to issue and allot new shares in the capital of the Company (whether by way of rights, bonus or otherwise) and/or make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, PROVIDED ALWAYS that:

(i) the aggregate number of shares to be issued pursuant to this Resolution does not exceed 100% of the issued shares of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 50% of the issued shares of the Company (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the Rules of Catalist), for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued share capital shall be based on the issued shares of the Company at the time this Resolution is passed, after adjusting for:-

(a) new shares arising from the conversion or exercise of any convertible securities or share options which are outstanding or subsisting at the time this Resolution is passed; and

(b) any subsequent consolidation or subdivision of shares; and

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

7. AUTHORITY TO ISSUE SHARES AT A DISCOUNT EXCEEDING 10% BUT NOT MORE THAN 20%

"THAT notwithstanding Rule 811 of the Listing Manual (Section B: Rules of Catalist), the Directors of the Company be and are hereby authorised to issue shares and/or Instruments other than on a pro-rata basis pursuant to the aforesaid general mandate at a discount not exceeding 20% to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement in relation to such shares and/or Instruments is executed, provided that:-

(a) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Rules of Catalist for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(b) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, or 31 December 2010 or such other deadline as may be extended by the SGX-ST, whichever is the earlier." **(Resolution 9)**
[See Explanatory Note 4]

8. AUTHORITY TO GRANT OPTIONS AND ISSUE SHARES UNDER THE JASON EMPLOYEE SHARE OPTION SCHEME

"THAT pursuant to Section 161 of the Companies Act, Cap. 50, approval be and is hereby given to the Directors of the Company to allot and issue from time to time such number of shares in the share capital of the Company pursuant to the exercise of options granted in accordance with the provisions of the Jason Employee Share Option Scheme (the "Scheme"), and, pursuant to the Scheme, to offer and grant options from time to time in accordance with the provisions of the Scheme, provided always that the aggregate number of the Scheme Shares shall not exceed fifteen (15) per cent of the total number of issued shares excluding treasury shares of the Company from time to time."
[See Explanatory Note 5] **(Resolution 10)**

9. OTHER BUSINESS

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

BY ORDER OF THE BOARD

Foo Hui Min
Pan Mi Keay
Company Secretaries
7 July 2010

NOTES:

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

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

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

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

Explanatory Note on business to be transacted

1. Mrs Eileen Tay-Tan Bee Kiew will, upon re-election as Director, continue to serve as the Chairperson of the Audit Committee and as member of Nominating Committee and Remuneration Committee and she will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist.

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

3. Under the Rules of Catalist, a share issue mandate approved by shareholders as a ordinary resolution will enable directors of an issuer to issue an aggregate number of new shares and convertible securities of the issuer of up to 100% of the issued share capital of the issuer (excluding treasury shares) as at the time of passing of the resolution approving the share issue mandate, of which the aggregate number of new shares and convertibles securities issued other than on a pro-rata basis to existing shareholders must be not more than 50% of the issued share capital of the Company (excluding treasury shares).

   The Directors of the Company are of the opinion that the proposed share issue mandate will enable the Company to respond faster to business opportunities and to have greater flexibility and scope in negotiating with third parties in potential fund raising exercises or other arrangements or transactions involving the capital of the Company.

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

4. The Ordinary Resolution 9 proposed, if passed, will empower the Directors of the Company to issue shares in the capital of the Company by way of placement at an issue price at not more than 20% discount to the weighted average price for trades done on Catalist. In exercising the authority conferred by Ordinary Resolution 8, the Company shall comply with the requirements of the SGX-ST (unless waived by the SGX-ST), all applicable legal requirements and the Company's Articles of Association. Rule 811(1) of the Rules of Catalist presently provides that an issue of shares must not be priced at more than 10% discount to the weighted average price for trades done on the Catalist for

the full market day on which the placement or subscription agreement is signed (or if not available, the weighted average price based on the trades done on the preceding market day). On 19 February 2009, the SGX-ST released a press release of new measures effective on 20 February 2009 (the "Press Release"); the new measures include allowing issuers to undertake placements of new shares using the general mandate to issue shares, priced at discounts of up to 20%, subject to the conditions that the issuer seeks shareholders' approval in a separate resolution at a general meeting to issue new shares on a non pro-rata basis at a discount exceeding 10% but not more than 20%, and the general share issue mandate resolution is not conditional on this resolution. Ordinary Resolution 9 has been included following this new measure. The Press Release states that this new measure will also be in effect until 31 December 2010 when it will be reviewed by the SGX-ST.

5. Ordinary Resolution 10, if passed, is to empower the Directors to offer and grant options in accordance with the provisions of the Scheme and to allot and issue new shares in the Company for the exercise of any options already granted and accepted under the Scheme up to a number not exceeding 15% of the total number of issued shares (excluding treasury shares) in the share capital of the Company.

JASON MARINE GROUP LIMITED

Registration Number : 200716601W
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT

1. For investors who have used their CPF monies to buy Jason Marine Group Limited's shares, this Annual Report 2010 is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to vote should contact their CPF Approved Nominees.

I / We, _____

of _____

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

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

and/or (delete where appropriate)

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

as my/our proxy/proxies to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at 194 Pandan Loop, #06-05 Pantech Business Hub, Singapore 128383 on Friday, 23 July 2010 at 11:00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specified directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/their discretion.

Resolution No.	Ordinary Resolutions	For	Against
1.	Adoption of Reports of the Directors and the Auditors and Audited Financial Statements for the financial year ended 31 March 2010.		
2.	Approval of Directors' fees of S$68,750 for the financial year ended 31 March 2010.		
3.	Re-election of Mr Foo Chew Tuck as Director.		
4.	Re-election of Mr Wong Hin Sun, Eugene as Director.		
5.	Re-election of Mrs Eileen Tay-Tan Bee Kiew as Director.		
6.	Re-appointment of Mr Sin Hang Boon as Director.		
7.	Re-appointment of BDO LLP as Auditors.		
8.	Authority to allot and issue shares.		
9.	Authority to issue shares at a discount exceeding 10% but not more than 20%.		
10.	Authority to grant options and to issue shares under the Jason Employee Share Option Scheme.		

Dated this _____ day of _____ 2010

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

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

IMPORTANT: Please read notes overleaf

Notes:-

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

Fold along this line

Affix
Postage
Stamp
Here

The Company Secretary
Jason Marine Group Limited
194 Pandan Loop
#06-05 Pantech Business Hub
Singapore 128383

Fold along this line

Corporate Information

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

Audit Committee
Eileen Tay-Tan Bee Kiew (Chairman)
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
Pan Mi Keay
Foo Hui Min

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

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

Independent Auditors
BDO LLP
Public Accountants and
Certified Public Accountants
19 Keppel Road #02-01
Jit Poh Building
Singapore 089058
Partner-in-charge: Leong Hon Mun Peter
(Appointed since financial year ended 31 March 2010)

Principal Bankers
CIMB Bank Berhad, Singapore Branch
Citibank,N.A., Singapore Branch
Bank of China Limited, Singapore Branch

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

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