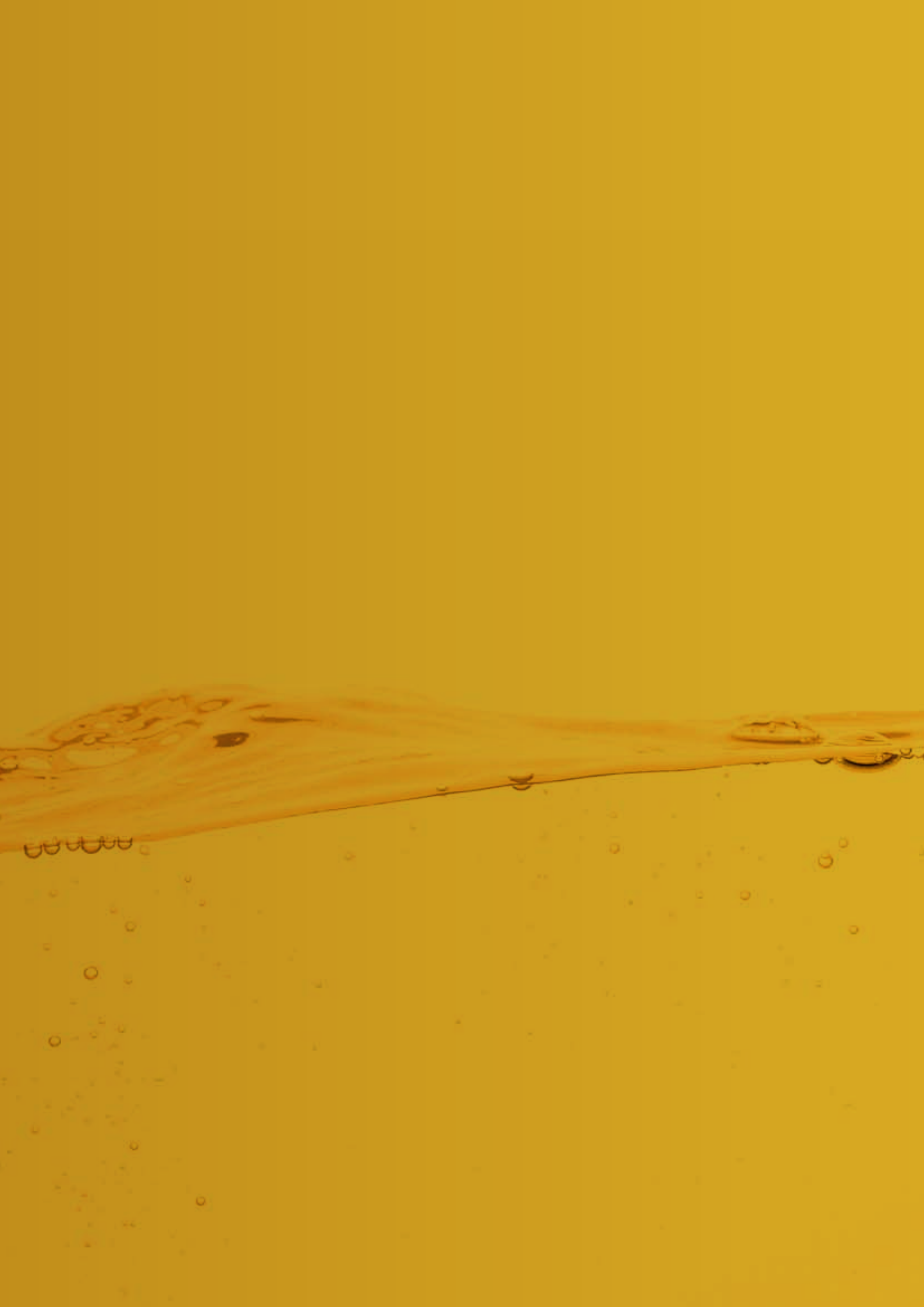




Moving Forward

annual report 2012



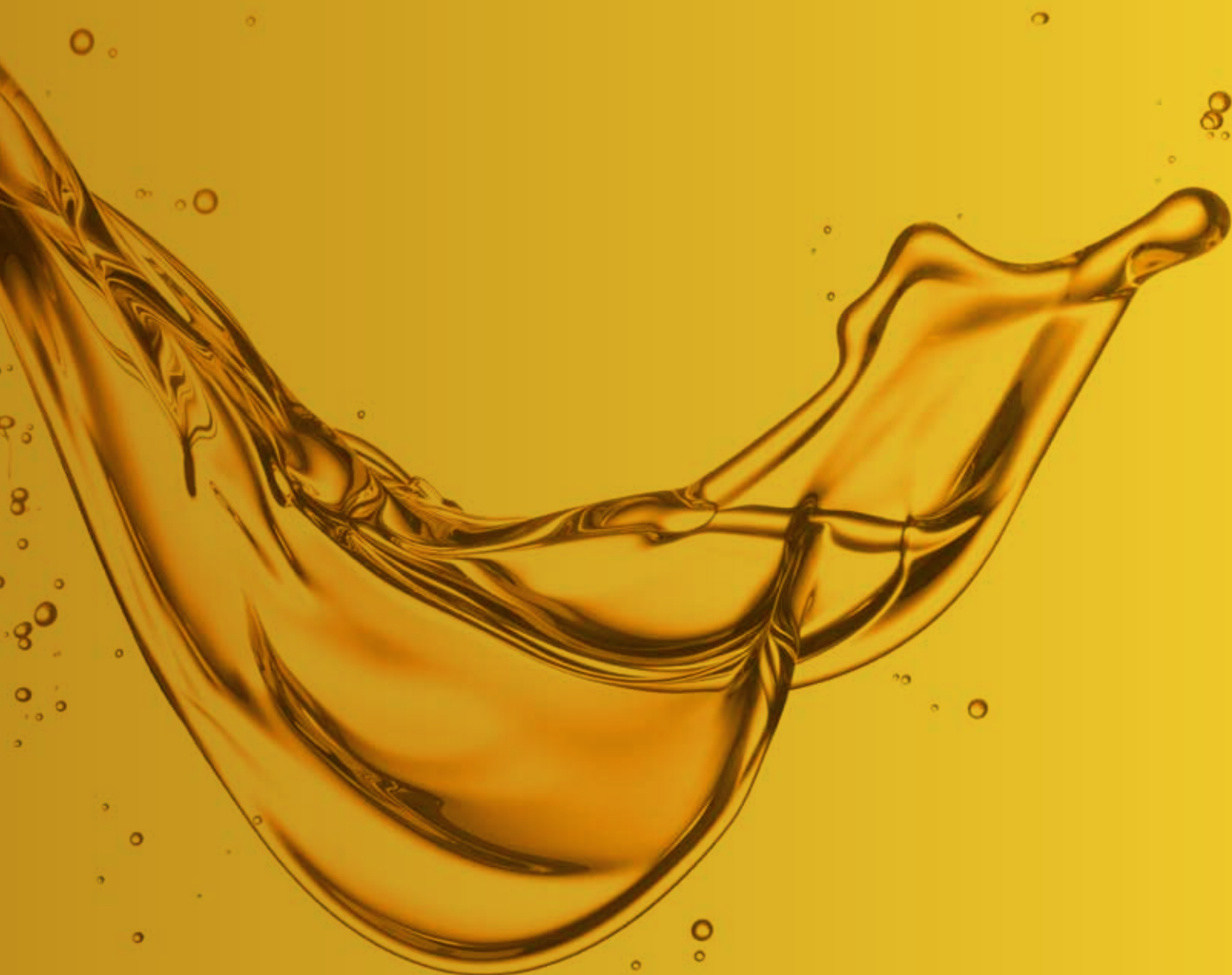
Our Story

Jasper Investments Limited is a company listed on the SGX and it principally invests in the offshore oil and gas drilling and services sector. Jasper's principal subsidiary, Jasper Offshore, owns and operates oil rigs for offshore drilling which are contracted out to oil and gas exploration and production companies under medium and long-term contracts.

The major shareholders of Jasper include certain investment funds managed by Ashmore Investment Management Limited. Ashmore is a leading emerging market fund specialist listed on the London Stock Exchange.

Shaping Our Success

We will endeavour to entrench Jasper Investments as a compelling company for business and investment by securing competitive advantages and deepening customer satisfaction.



Message from Executive Director

FY2012 was a year that the Company positioned itself for future growth amidst the turbulence of the global operating environment. Significantly, we continued to strengthen our fleet during the year under review by exercising an option to build a second rig, the "*Jasper Beacon*", on 1 April 2011. The Group now has two KFELS B Class jack-up rigs under construction with Keppel FELS Limited. This expansion lays a good platform for growth and future revenue streams.

Aside from the potential revenues these rigs will generate in the future, the construction of the rigs turned out to be well timed. There is currently strong demand for new premium jack-up rigs, and the value of the Company's rigs has appreciated considerably since the inking of the construction contracts. The contract price, at about US\$180 million each, compared to today's worth of around US\$218 million each, is affirmation of our decision to expand the fleet.

The two rigs, the "*Jasper Adventurer*" and the "*Jasper Beacon*", are scheduled for delivery in November 2012 and May 2013 respectively. Both rigs have attractive specifications in terms of charter-hire. Water depth ratings of 400 feet, drilling depth capacities of 30,000 feet and accommodation space for 150 men each.

As part of the Group's expansion, a contract was awarded in November 2011 to a subsidiary of the China Merchants Industry Holding Group to retrofit and convert the Company's semi-submersible hull, the "*Neptune Finder*", into an accommodation vessel. The conversion works are scheduled to be completed in second half 2013. The 'new' vessel will be renamed the "*Jasper Cosmopolitan*" and will boast an eight-point mooring system with accommodation modules capable of housing 500 men on board upon completion. It will have two deck cranes with lifting capacities of 120 tons and 25 tons and a hydraulic telescopic gangway.

Long-term, off-shore accommodation rigs provide infrastructural support for the installation and commissioning of new facilities, as well as the upgrading, maintaining or removing of existing installations. This broad usage spectrum means that accommodation vessels or floatels can be used to service fixed platform operations for anything up to three to five years at a time.

The market is strong for floatel hire and this bodes well for future revenue streams once the vessel becomes operational in the second half of 2013.

With this expanded range of offshore rigs and the floatel, Jasper will be able to respond to a broader range of charter opportunities and will result in downstream profitability.

These expansions have been financed by way of borrowings and placement of shares. As at the end of the financial year, the Group has issued five-year US\$165 million Senior Secured Bonds, which are secured by a drilling rig, share pledges and other guarantees.

The Company was also further capitalised by way of two major share placements. A total of 122,069,322 new ordinary shares were placed out to Hygrove Investments Limited during the year, while 43,103,000 new ordinary shares were placed to DMG & Partners Securities Pte Ltd. This raised S\$11.7 million and S\$2.5 million respectively.

On the revenue side, "*Jasper Explorer's*" drilling contract with AGR Well Management off the coast of Guinea, West Africa generated revenues of US\$26.2 million for the financial year. The deployment of the "*Jasper Explorer*" to the lucrative and growing West African offshore oil and gas drilling fields is a significant step forward for the Company.

During the year under review, Mr. Jeff Saile, an offshore industry veteran with over 35 years of experience, was appointed as Chairman of Jasper Offshore.

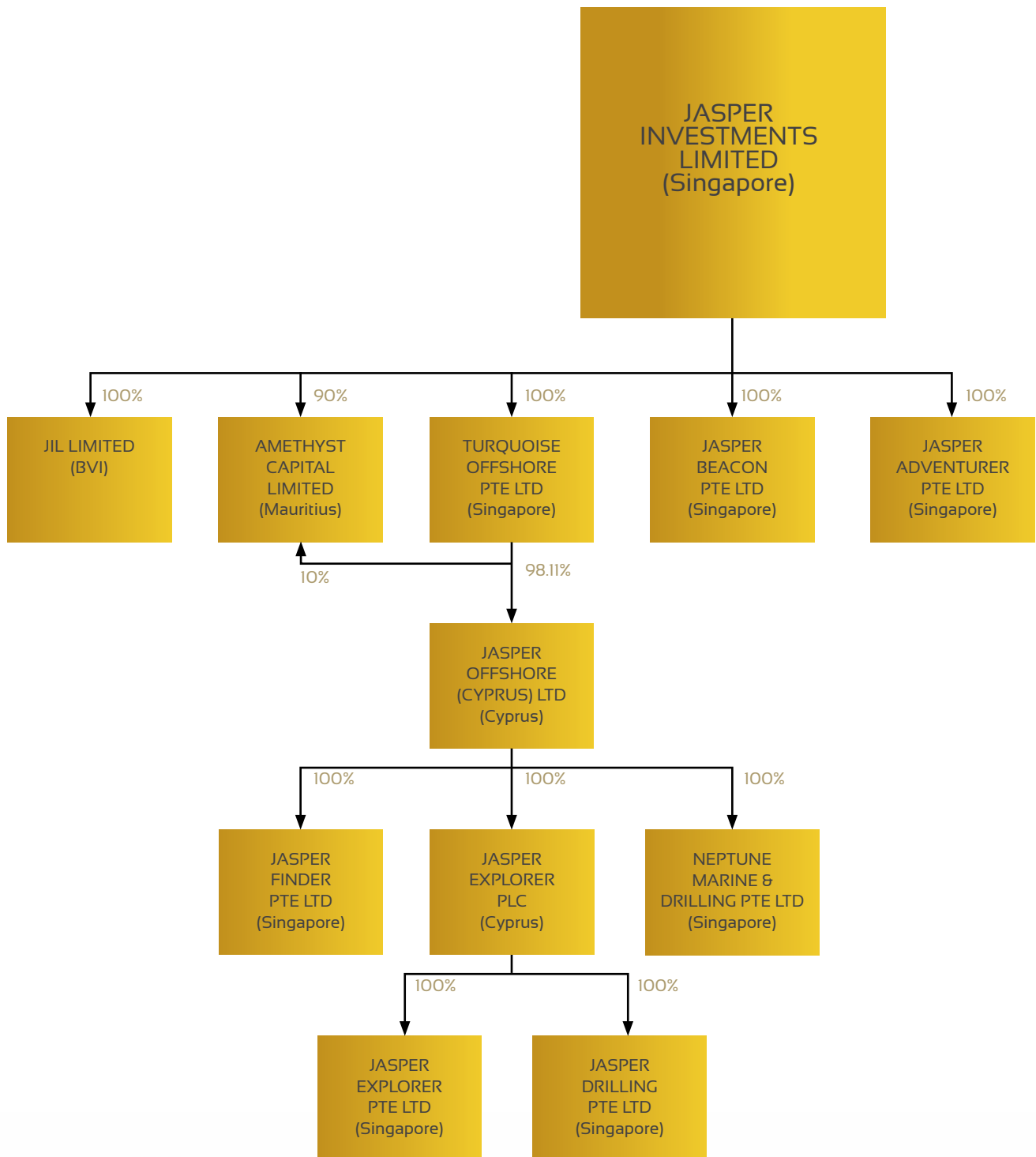
We remain cautious in our business outlook for FY2013 given the intractable Eurozone crisis and the global economic slowdown. The "*Jasper Explorer*" had completed drilling the Sabu-1 well under its contract in Guinea, West Africa in February 2012. The Company is in discussions with certain potential clients for follow-on work.

Although spot prices for oil have been on the downtrend, the situation for the Company is somewhat mitigated by the fact that oil drilling contracts are forward-looking by nature, where the medium to long-term view is a more important consideration. The world needs oil, and the oil industry needs rigs to extract the oil.

As Jasper looks to tapping opportunities in the new financial year with our expanded fleet, I wish to thank the board of directors for their insightful counsel and invaluable support, the management team and staff for their continued dedication and hard work. I am also deeply indebted to all shareholders for their patience and support as we ride through the choppy waters of our business and industry.

Geoffrey Yeoh

Corporate Structure



Corporate Information

BOARD OF DIRECTORS

Steven Simpson (Chairman)
Geoffrey Yeoh (Executive Director)
David Chia
Jeffrey Saile
Tan Yeelong

AUDIT COMMITTEE

David Chia (Chairman)
Steven Simpson
Tan Yeelong

NOMINATING COMMITTEE

David Chia (Chairman)
Steven Simpson
Geoffrey Yeoh

REMUNERATION COMMITTEE

Steven Simpson (Chairman)
David Chia
Jeffrey Saile
Tan Yeelong

COMPANY SECRETARY

Lee Mee Kium

REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

AUDITORS

Foo Kon Tan Grant Thornton LLP
Certified Public Accountants
47 Hill Street #05-01
Singapore Chinese Chamber of Commerce
& Industry Building
Singapore 179365
Partner in charge: Mr Ong Soo Ann (wef 31 March 2010)

REGISTERED OFFICE

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HarbourFront Tower One
Singapore 098633
Tel: +65 6513 6888
Fax: +65 6557 2313
Email: corp@jasperinvests.com
Website: www.jasperinvests.com
Co Reg No: 198700983H

Board of Directors

STEVEN SIMPSON **CHAIRMAN & INDEPENDENT DIRECTOR**

Mr Steven Simpson was appointed to the board of Jasper in September 2005 and assumed the appointment of Non-Executive Chairman in August 2010.

Mr Simpson is the Principal of Triton Advisory Group, a mergers and acquisitions, fixed income trading, asset management and corporate advisory group located in Singapore. He has successfully advised many private and public sector transactions including privatisations, mergers, acquisitions and debt and equity capital market activities. He has over 20 years of hands-on experience in the Asia Pacific region.

Previously, Mr Simpson was a Managing Partner of Price Waterhouse Consulting in Indonesia and Australia, and Partner-in-Charge of manufacturing sector consulting for the firm's Australian and Asian practices. He is a member of the board of directors of several public and private sector companies and is a Certified Public Accountant, a Chartered Secretary and a member of the Institute of Chartered Directors. He is a Commerce graduate from the University of New South Wales.

GEOFFREY YEOH **EXECUTIVE DIRECTOR**

Mr Geoffrey Yeoh serves in the Group as its Executive Director. He has an oversight role on the operations of the Group and is actively involved in the Group's business development activities.

Mr Yeoh brings with him extensive experience in the banking and financial sectors. Prior to joining the Group, Mr Yeoh worked in major financial institutions in the areas of Corporate Finance, Debt Markets and Corporate Banking with assignments in Singapore, New York, Hong Kong and Jakarta.

Mr Yeoh sits on the boards of ASJ Holdings Ltd, Global Testing Corporation Ltd and Swisso Holdings Limited. He holds a Bachelor of Science in Economics, First Class Honours, from the London School of Economics and is a Fellow of the Association of Chartered Certified Accountants, UK.

DAVID CHIA **INDEPENDENT DIRECTOR**

Mr David Chia was appointed as an Independent Director in May 2008. He is currently a director of AXIA Equity Pte. Ltd., a firm which provides business and financial advisory services to companies in Singapore and the region.

Since 1990, he has been actively involved in the private equity and venture capital industry in Asia as a director of an investment advisory firm engaged in direct investments

in the region. From 1980 to 1990, Mr Chia was engaged in providing audit and financial consulting services in Singapore and Hong Kong with an international accounting firm.

Mr Chia is also an independent director on the board of BH Global Marine Limited. He holds a Bachelor of Accountancy (Honours) from the National University of Singapore and is a Fellow of the Institute of Certified Public Accountants of Singapore.

JEFFREY SAILE **NON-EXECUTIVE DIRECTOR**

Mr Jeffrey Saile was appointed as an Independent Director in May 2010 and assumed the appointment of Chairman, Jasper Offshore in April 2011. He brings with him over three decades of experience in the offshore, oil and gas industry.

Mr Saile started his career in the offshore drilling company SEDCO in 1974. Over 13 years at the firm, he held many international postings and assignments in the Middle East, Europe, West Africa and Singapore.

He later joined ENSCO in 1987 to become one of its founding members. He was Senior Vice President of Operations and had oversight responsibility for the North and South America and Deepwater business units before he retired in 2009. During his 22-year career at the company, Mr Saile held many other senior executive positions and was involved in multiple acquisitions that were responsible for the firm's dramatic growth. These roles included Senior Vice President of Business Development, Engineering and SHE, member of the office of the President, Chief Operating Officer and President of ENSCO Offshore Company.

Mr Saile holds a Bachelor of Business Administration from the University of Mississippi, USA.

TAN YEELONG **NON-EXECUTIVE DIRECTOR**

Ms Tan Yeelong was appointed to the board of Jasper in July 2010.

Ms Tan was an associate and subsequently a partner for 22 years in Freshfields Bruckhaus Deringer, a leading international law firm. Her career at the firm included stints in Singapore, Hong Kong and London. Ms Tan's core experience encompassed specialised finance and banking, mergers and acquisitions, and strategic investments. She has worked on a wide range of transactions, including in energy and infrastructure, for clients such as Ashmore, Deutsche Bank, Petrochina, Temasek Holdings and Vitol.

Ms Tan holds an LLB degree (Honours, Second Upper) from the National University of Singapore. She is a solicitor in England and Wales and is also a member of the New York State Bar.

Senior Management

EISSO KOENDERS **GENERAL MANAGER**

Mr Eisso Koenders joined the Group in July 2011 as General Manager. He brings with him over 38 years of experience in the drilling industry before retiring from ENSCO in 2007. Originally a certified ship's engineer on ocean going vessels, he started his offshore drilling career with Shell International Exploration and Production Company in 1973. From 1973 to 2000, he worked his way to become Drilling and Well Engineering Manager. He is also well versed in the area of contracting. He later joined ENSCO in 2000 as Managing Director and Vice President of ENSCO Offshore International Company, responsible for all operations and business development in South East Asia, Pacific Rim, Indian Continent and Middle East.

He holds a Diploma A as Ship's Engineer from the Nautical Academy of Groningen, the Netherlands.

JENS RASMUSSEN **PROJECT MANAGER**

Mr Jens Rasmussen joined the Group in February 2011, and oversees the construction of the Group's two new jack-up rigs and the conversion of the accommodation rig. He has 30 years of experience in the marine and offshore industry which included executive management positions at Swedish offshore engineering firm GVAC. His expertise includes development, design, construction and application of deep water oil and gas facilities such as FPSOs and production semi-submersibles, subsea equipment, drillships, drilling semi-submersibles and jack-ups, accommodation and construction support vessels.

He holds a Master of Science degree from Technical University of Denmark.

PAUL EZEKIEL **MARKETING & CONTRACTS MANAGER**

Mr Paul Ezekiel joined the Group in April 2010 as Marketing and Contracts Manager. He has a combined experience of 27 years in the Merchant Navy and later in the Offshore Industry. In 1995, he obtained a Master Mariner Class I Certificate. Later that year he started his on-shore career marketing offshore support vessels. In 2004 he joined ENSCO and served as Account Manager. Between 2008 and 2010, he worked as Marketing and Contracts Manager for Premium Drilling and later COSL Drilling Pan Pacific. Over the years, he has built up extensive experience in operations, marketing, contracting and business development.

He holds a MBA from the University of Hull, United Kingdom.

TAN CHOON SZE **CHIEF FINANCIAL OFFICER**

Mr Tan Choon Sze joined the Group in April 2008 as Chief Financial Officer. He has over 20 years of financial experience, many of which were in the oil & gas industry. He was previously the Financial Controller of FMC Technologies Singapore Pte Ltd, and also held key financial management positions in Pfizer Asia Pacific, Chevron Oronite and Hewlett-Packard.

He holds a Bachelor of Accountancy (Honours) from the National University of Singapore and a Master of Business Administration from Macquarie University, Australia. He is a Certified Public Accountant registered with the Institute of Certified Public Accountants in Singapore.

LEE MEE KIUM **HEAD, CORPORATE DEVELOPMENT**

Ms Lee Mee Kium joined the Group in 1996, and manages the Group's corporate finance activities and corporate secretarial department. She is actively involved in the Group's investment/divestment as well as financing activities. Prior to joining the Group, she was with United Overseas Bank Limited, holding various positions in the Corporate Banking and Corporate Finance Divisions. Her last held position was Vice President, Corporate Finance.

She holds a Bachelor of Arts degree from the National University of Singapore. She is also the Secretary of the Company.

ANTHONY MCCORMACK **QHSE MANAGER**

Mr Anthony McCormack joined the Group in January 2012, and oversees the QHSE of the Group. He has almost 17 years of experience in all aspects of quality, health, safety & environment in offshore drilling, covering development of safety programmes, training, audit, inspection and implementation. Prior to joining the Group, he spent about 10 years of his career working in various operations of Pride International.

He holds a Bachelor of Science in Environmental Science & post graduate diploma in occupational health and safety.

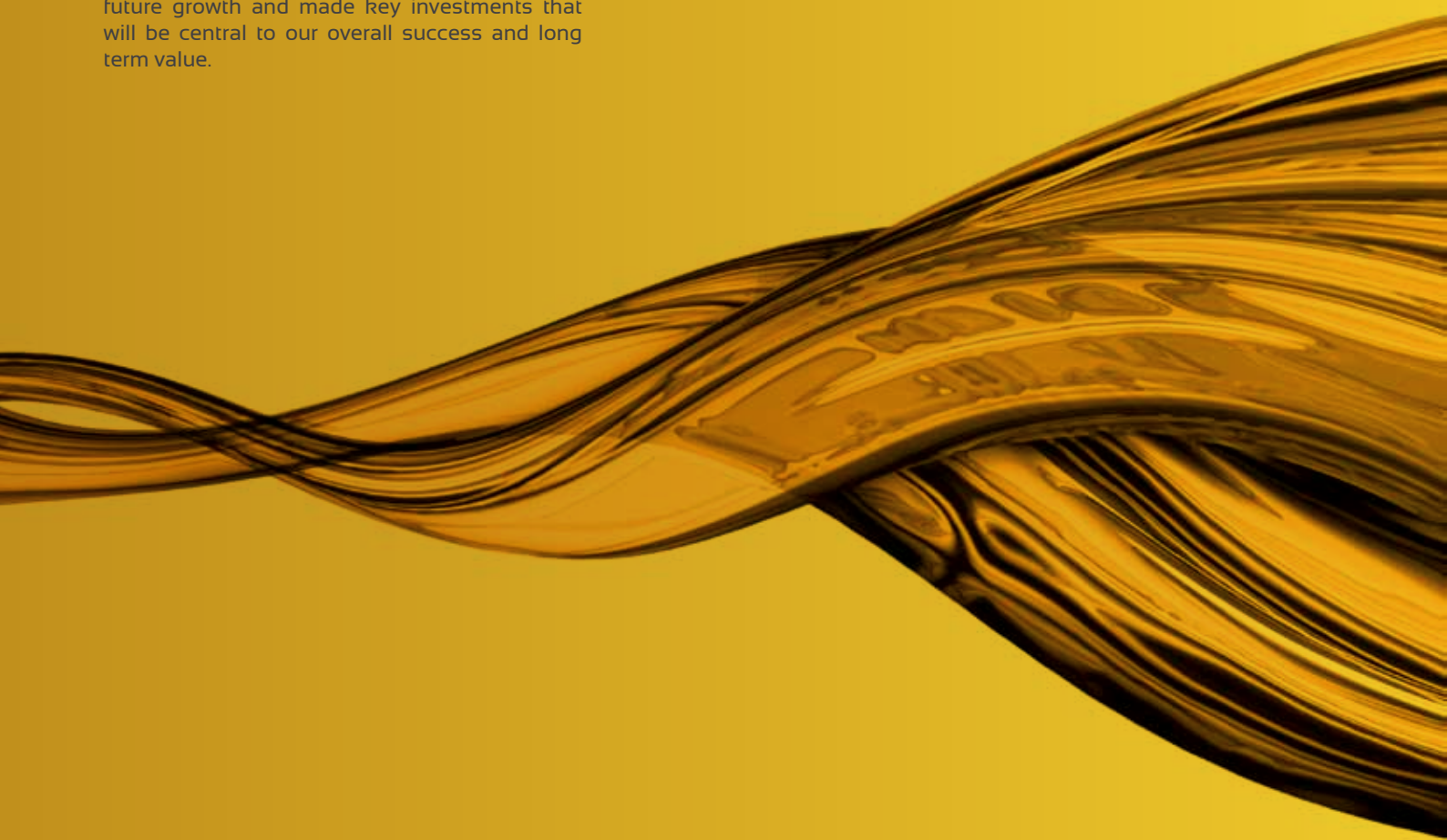
PAULINE SIM **GROUP MANAGER, HR & ADMINISTRATION**

Ms Pauline Sim joined the Group in 1995 and oversees all aspects of human resources, development policies and practices, and administration. She has over 22 years of experience in human resources management with multi-national corporations in construction and service sectors.

She is a Professional Member of Singapore Human Resources Institute.

Focus On Delivery

We have identified new opportunities to drive future growth and made key investments that will be central to our overall success and long term value.



Operational & Financial Review



OVERVIEW

The global economy was tumultuous in FY2012. Several factors conspired to make it an uneasy year. Hanging over the financial markets was the persisting European sovereign debt crisis and the economic slowdown in the US and Asia, particularly in China which has been the engine of growth for the region in recent years.

Against this precarious backdrop, the *"Jasper Explorer"* arrived in Guinea, West Africa, and commenced drilling operations on 13 October 2011. By February 2012, the deepwater drillship had completed drilling the well at Sabu-1. The Company continues with discussions with potential clients for follow-on work.

During the financial year, the Company also exercised its option to build a second jack-up rig. The Group's offshore fleet is therefore set to expand with two 400-foot water depth Keppel FELS B Class jack-up rigs under construction in Singapore.

The first rig, the *"Jasper Adventurer"*, is nearing completion and is scheduled for delivery in November 2012. The second rig, the *"Jasper Beacon"*, is expected to be completed in May 2013. At the beginning of the financial year under review, the Group exercised its option, granted by Keppel FELS Limited, to build the *"Jasper Beacon"* for approximately US\$180 million.

In November 2011, the Group awarded a US\$73.6 million contract to a subsidiary of the China Merchants Industry Holding Group to retrofit and convert its semi-submersible hull, the *"Neptune Finder"*, into an accommodation vessel or floatel. The conversion works will be carried out at the Shekou shipyard in Shenzhen, China. The accommodation vessel is scheduled for delivery in the second half of 2013. Upon completion, it will have an eight-point mooring system with an accommodation capacity of 500 men, as well as two deck cranes with lifting capacities of 120 and 25 tons and a hydraulic telescopic gangway.

By end 2013, the Group will have one deepwater drillship, two premium jack-up rigs and a floatel all available for charter.

GENERAL DEVELOPMENTS

In May 2011, the Group issued US\$165 million five-year Senior Secured Bonds. The net proceeds raised from this debt issuance was US\$161 million. Of this amount, US\$126 million was used to repay a bank loan of US\$51 million as well as cover the redemption of US\$75 million one-year Senior Secured Second Lien Notes. The balance of the debt raised or US\$35 million was used to fund working capital requirements for the *"Jasper Explorer"*.

Further cash inflows during the financial period came from share placements. The Company allotted and issued 122,069,322 new ordinary shares to Hygrove Investments Limited (*"Hygrove"*) at S\$0.096 per new share. The proceeds raised from the share placement, of about US\$9 million, were used to partially finance the construction of the second jack-up rig, *"Jasper Beacon"*.

In addition, in December 2011, the Company placed 43,103,000 new ordinary shares to DMG & Partners Securities Pte Ltd ("DMG") at S\$0.058 per new share. The proceeds raised of approximately US\$1.9 million were used to fund the working capital of the Company and its subsidiaries.

Net cash outflow in investing activities for FY2012 was US\$24.2 million. This was arrived at after taking into account US\$38.3 million of construction costs for the "*Jasper Adventurer*" and the "*Jasper Beacon*" while netting off US\$13.2 million worth of proceeds gained from the disposal of available-for-sale financial assets and sale of equipment worth US\$1.2 million.

FINANCIAL PERFORMANCE

The Group made a gross loss of US\$16.4 million in FY2012, comprising mainly of a depreciation charge of US\$15.6 million for the "*Jasper Explorer*", as compared to a gross loss of US\$20.9 million in FY2011.

For FY2012, the Group reported an increase in revenue, which rose to US\$26.2 million from US\$0.5 million in FY2011. This was attributable to the revenue generated by the "*Jasper Explorer*" which had commenced operations in October 2011. The revenue included mobilisation/demobilisation fees of US\$4.6 million and drilling income of US\$21.6 million.

However, other income fell from US\$22.8 million in FY2011 to US\$10.1 million in FY2012 due to the significant gains made previously attributable to disposals of available-for-sale financial assets and the deconsolidation of subsidiaries.

The Group incurred operating loss after tax and non-controlling interests of US\$87.2 million in FY2012 as against a net loss of US\$39.4 million in FY2011. The loss partially stemmed from the higher expenses that were recorded for the year. The increase in expenses was largely the result of US\$55.8 million attributable to the write-off of the Purchase Price Allocation (goodwill accounting for the "*Jasper Explorer*") associated with the acquisition of the Jasper Offshore Group in 2007.

There was no depreciation of drilling rigs in FY2011 as the rigs have not commenced operations, whereas the Group depreciated the drillings rigs by US\$15.6 million in FY2012, which also accounted for the Group's negative comparative performance.

The increase in finance costs, from US\$9.5 million in FY2011 to US\$20.9 million in FY2012, was due to higher borrowings.

Net loss attributable to equity holders of the Company for the financial year ended 31 March 2012 was US\$87.2 million after accounting for a tax credit of US\$6.1 million arising from the Group's past operations in Venezuela.

FINANCIAL POSITION OF THE GROUP

Group shareholders' funds decreased from US\$453.4 million in FY2011 to US\$375.8 million in FY2012 due to an increase in negative reserve of US\$90.5 million. Total negative reserves now stand at US\$210.6 million.

Share capital increased by US\$12.9 million from the issuance of the shares to Hygrove and DMG, as well as from the issuance of 32,423,765 new shares pursuant to the Company's Share Incentive Plan. Total share capital stands at US\$586.4 million at the end of the financial year, or 4,128,792,966 shares.

The Group's total assets decreased by US\$50.4 million from US\$612.9 million in FY2011 to US\$562.5 million in FY2012, which was mainly attributable to a US\$55.8 million write-off of the Purchase Price Allocation as a result of the impairment loss relating to goodwill accounting for the "*Jasper Explorer*". The Group also disposed of equipment amounting to US\$8.9 million and available-for-sale financial assets of US\$12.5 million. The depreciation of the "*Jasper Explorer*" amounted to US\$15.6 million. No such provision for depreciation was made in the previous financial year.

These decreases were partially offset by an increase in rig newbuildings of US\$38.2 million, which constituted deposits and prepaid costs of the "*Jasper Adventurer*" and "*Jasper Beacon*".

The Group's total liabilities rose to US\$187.8 million in FY2012 from US\$158.9 million in FY2011. This was attributable mainly to an increase in non-current borrowings of US\$161 million relating to US\$165 million of Senior Secured Bonds due 31 March 2016.

Current borrowings were US\$125 million as at 31 March 2011 which were made up of US\$50.6 million due to bank and US\$75 million Senior Secured Lien Notes. These borrowings were repaid in full during FY2012.

Cash and cash equivalents reduced from US\$29.2 million in FY2011 to US\$20.3 million in FY2012.



Industry Segment



The global operating environment remains challenging. Historically, the consumption of oil tracks the health of the world economy. Dark clouds hovering over the Eurozone have not cleared as the sovereign debt crisis in Greece threatens to spread to Spain and possibly Italy. The American recovery has sputtered and Asia, the once dependent engine of global growth, is itself stalling. In China, domestic and exported economic pressures are weighing on the economy which is grappling with overinvestment and excess capacity.

The business outlook for FY2013 remains cautious. Oil prices, after peaking at US\$128 for Brent crude in March 2012, has since been in downtrend as overproduction leads to high inventory buildup in global supplies.

Saudi Arabia is operating at an all-time high level of production. The OPEC bloc of nations has boosted its crude oil production in anticipation of stepping into the breach caused by the sanctions over Iranian oil. Simultaneously, Russian and American production has also increased.

Forecasts show that crude oil inventories in the US have gained for the 10th consecutive month as of May 2012. The Energy Information Administration ("EIA") expects US total crude oil production to average 6.2 million barrels per day (bbl/d) in 2012, an increase of 0.5 million bbl/d from last year, and the highest level of production since 1998.

At the same time, key data on the US and Eurozone employment rates—good indicators of the appetite for oil consumption—continues to disappoint rather than encourage analysts. The renewed fears of a Eurozone collapse, which will trigger a world recession, is further gloomy news for the industry.

On a worst case scenario, the demand concerns caused by the overall slowdown, and supply worries caused by overproduction, could be a double-whammy for the industry. A drop in oil price will have a knock-on softening effect on rig charter.

These fears can be slightly allayed by some positive news surrounding the industry. The energy sector of the world economy has been buoyant for the past year and a half—a considerable feat, considering the tough economic conditions over this time—which indicates a degree of robustness in the sector.

Of course, energy consumption for the next year in emerging economies such as China, Brazil and India is hard to predicate. Under an optimistic scenario, if such economies maintain their recent demand levels, even at a rate discounted for the possible slowdowns in these economies, the oil industry might be relatively shielded by the generally bleak global economic environment.

An optimistic scenario for oil is held by some industry analysts. As recently as May, the US EIA forecast the average cost to US refiners of crude oil in 2012 to be US\$110 per barrel. Time will tell whether this is an ambitious prediction.

Another recent International Energy Association ("IEA") outlook held that, after the first five months of 2012, the cost of Europe's oil imports were on track to top a record US\$500 billion for the year. To put this into perspective, this is a figure in excess of the Greek government's US\$370 billion debt.

The IEA also recently estimated that global energy demand would climb 1.4 percent in 2012. Other analysts have predicted that global oil consumption is set to rise by 0.8 mb/d (0.9%) in 2012, to 90.0 mb/d, with global demand growth forecast to gradually accelerate throughout 2012, culminating in an expansion of 1.2 mb/d by 4Q12.

In a similar vein, OPEC producers have also announced that they saw no need to cut their production levels, pointing to the sound fundamentals of the industry as the reason that the oil price should maintain its more or less high level. The impact of Iran's decreased contribution to the global oil supply due to political sanctions (potentially, a loss of around 1 mb/d of Iranian crude) is further reason to support a view that the oil price will achieve relative stability.

As the appetite of oil companies to continue their capital expenditure is sustained, the outlook for additional capacity for rig services remains positive in the foreseeable future. A survey of 36 oil companies conducted by DnB NOR earlier this year projected E&P spending to increase 17% in 2012 and 10% in 2013. Combined with the oil prices which remain above oil companies' comfort zone, rig services companies will continue to benefit from the flow of value chain. Brazil, the Gulf of Mexico and West Africa will continue to spur demand for ultra-deepwater and deepwater rigs in the coming years.

In the shallow water segment, the Macondo incident and the need to replace the ageing global fleet triggered the strong rig building cycle in 2011. As one of the earliest to enter into contracts to build 2 premium jack-up rigs with KFELS Limited, our first jack-up, the "*Jasper Adventurer*", upon its completion in 4Q2012 will be the first commercially available premium jack-up rig among all the new rigs contracted with KFELS Limited upon its completion in 4Q2012.



Corporate Governance

INTRODUCTION

This report sets out the Group's main corporate governance practices for the financial year ended 31 March 2012, with specific reference to the Code of Corporate Governance 2005 ("Code") issued by the Ministry of Finance. Where appropriate, we have provided explanations for deviations from the Code.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

The Board is elected by the shareholders to supervise the management of the business and affairs of the Company. Its main responsibility is to ensure the viability of the Company and to ensure that it is managed in the best interest of the shareholders as a whole while taking into account the interests of other stakeholders.

The Board is responsible for setting the overall strategy, direction and long-term goals of the Group. It reviews major investment and divestment proposals, risk management policies and practices, financial objectives and key business initiatives. Through committees, it also reviews the financial performance of the Group and recommends the framework of remuneration for the Board and key executives, approves nomination of Directors and appointments to the various Board committees. In addition, the Board also assumes the responsibility for the Company's compliance with the guidelines on corporate governance.

Matters which are specifically reserved for the Board's approval are significant acquisitions and disposals of assets, corporate or financial restructuring, share issuance, dividend payments or other returns to shareholders, approval of accounts and results announcements, matters involving conflicts of interest for a substantial shareholder or a director and any major decision which may have an impact on the Group. Other matters are delegated to Board committees and the Chief Executive Officer ("CEO") for review and decision making.

The Board delegates specific responsibilities to the Audit Committee, the Nominating Committee, the Remuneration Committee and the Executive Committee. These Committees operate within specified terms of reference and have the authority to examine particular issues and report to the Board with their recommendations. Specific descriptions of the Audit, Nominating and Remuneration Committees are set out further in this Report.

Formal Board meetings are held quarterly to review the Group's business and financial performance, policies and procedures, acquisitions and disposals and to approve the release of results to the Singapore Exchange Securities Trading Limited ("SGX-ST"). In addition to the scheduled meetings, ad-hoc meetings are convened as and when required for particular purposes. Board members may participate in meetings by telephone or video conference which is permitted under the Company's Articles of Association. All Board meetings are attended by the Company Secretary who is responsible for ensuring that Board procedures are followed.

During the year, the number of meetings held and the attendance of each Director at the Board and Board committee meetings is as follows:

	Board		Audit		Nominating		Remuneration	
	No. of meetings held ⁽¹⁾	No. of meetings attended	No. of meetings held ⁽¹⁾	No. of meetings attended	No. of meetings held ⁽¹⁾	No. of meetings attended	No. of meetings held ⁽¹⁾	No. of meetings attended
Steven Simpson	5	5	4	4	-	-	2	2
Geoffrey Yeoh	5	5	-	-	1	1	-	-
David Chia	5	5	4	4	1	1	2	2
Jeffrey Saile ⁽²⁾	5	5	-	-	1	1	2	2
Tan Yeelong	5	5	4	4	-	-	2	2

Notes:

1. Reflects the number of meetings held which are applicable to the Director during his/her term.
2. Mr Saile stepped down from the Nominating Committee on 26 May 2011.

Corporate Governance (Cont'd)

In addition to formal meetings, the Directors are frequently updated on Company matters by Management via emails and telephone conferences. As some of the Board members are based overseas, frequent updates are provided by the CEO and discussions with other Board members are regularly held through emails and telephone conferences.

Directors are briefed by Management on the Group's operations on their appointment. Periodically, the Board is updated on the relevant laws, continuing listing obligations and standards requiring compliance and their implications for the Group.

Principle 2: Board Composition and Guidance

There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board currently comprises five members; two of whom are independent and non-executive Directors, two Directors who are non-independent and non-executive and an executive Director who is the CEO.

The Board is of the view that the current Board composition, which comprise one member with specialized industry knowledge as well as others with diverse skills, experience and attributes, provides for effective direction for the Group. The Nominating Committee will review the composition of the Board periodically to ensure that the Board has the appropriate mix of expertise and experience and collectively possess the necessary core competencies for effective functioning and informed decision-making.

The Nominating Committee also reviews and determines the independence of each Director on an annual basis based on the guidelines provided by the Code. The criterion for independence goes beyond the definition given in the Code. The Board considers an "independent" director as one who has no relationship with the Company, its related companies or officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent judgment of the conduct of the Group's affairs. In addition, an "independent" Director should also not represent the interests on any particular shareholder or group of shareholders.

The profiles of each of the Directors are set out in the "Board of Directors" section of this Annual Report.

Particulars of interests of Directors who held office at the end of the financial year in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are set out in the Directors' Report on pages 22 and 26 of this annual report.

Principle 3: Chairman and Chief Executive Officer

There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

The roles of the Chairman and the CEO are separate and distinct, each having their own areas of responsibilities. The Company believes that a distinctive separation of responsibilities between the Chairman and the CEO will ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The posts of Chairman and CEO are currently held by Mr Steven Simpson and Mr Geoffrey Yeoh respectively.

As non-executive Chairman, Mr Simpson chairs the Board of Directors and is primarily responsible for the effective working of the Board. As the Company's CEO, Mr Yeoh implements the Board's decisions and assumes responsibility for the day-to-day management of the Group. The Chairman and the CEO are not related to each other.

Principle 4: Board Membership

There should be a formal and transparent process for the appointment of new directors to the Board.

The Nominating Committee ("NC") currently comprises three Directors, namely Mr David Chia (Independent Director), Mr Steven Simpson (Independent Director) and Mr Geoffrey Yeoh (CEO and Executive Director). The Chairman of the NC is Mr David Chia.

The NC serves to ensure a transparent process for the nomination of Directors to the Board and also determines how the Board's performance may be evaluated.

The functions of the NC include administering nominations and re-nominations to the Board and reviewing the structure, size and composition of the Board. It is also responsible for determining the independence of Board members in accordance to guidelines set out in the Code.

The NC is responsible for ensuring that the Board comprises individuals who are able to discharge their responsibilities as Directors. The NC is responsible for identifying suitable candidates for appointment to the Board. It also reviews the capabilities of the nominated candidates, taking into account his/her qualifications and experience, before recommending the appointment of the candidates to the Board.

The Articles of Association of the Company require one-third of the Board to retire from office at each annual general meeting ("AGM"). Accordingly, the Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. In recommending to the Board any re-nomination and re-election of existing Directors, the NC takes into consideration factors such as participation at Board and Board committee meetings, the value of the individual to the Board and the Company and his continued contribution to the needs of the Company and its business.

Principle 5: Board Performance

There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

The NC is responsible for evaluating the effectiveness and performance of the Board as a whole taking into account the complementary nature and collective nature of the Directors' contribution and of each individual Director. A formal review of the Board's performance is undertaken collectively by the Board annually.

During the year, the NC has reviewed and affirmed the independence of the Company's Independent Directors and reviewed the composition of the Board and profiles of Board members in relation to the needs of the Company.

The NC also reviewed whether a Director who has multiple board representations is able to and has adequately carried out effectively the duties as a Director. All Directors are required to declare their board representations. The NC has reviewed the commitments of Directors with multiple board representations and is satisfied that the Directors have and are able to more than adequately carry out their duties as Directors of the Company.

Principle 6: Access to Information

In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis.

Directors are provided with papers in advance of Board and Board committee meetings. In addition, relevant information on material events and transactions are circulated to Directors as and when they arise. Directors are regularly updated on business and operations by Management via emails and telephone conferences. Non-executive Directors have separate, independent and unrestricted access to Management and may also consult with other employees and seek additional information if and when required.

The Board also has separate and independent access to the Company Secretary. All Board meetings are attended by the Company Secretary who ensures that Board procedures are followed and applicable laws and regulations are complied with. The Company Secretary also ensures information flow within the Board and its committees and between Management and the Board. The appointment of the Company Secretary is a matter for the Board as a whole.

Changes to regulations are closely monitored by Management. Where these changes have an important bearing on the Company or the Directors' disclosure obligations, Directors are briefed either during Board meetings or through the Company Secretary.

Where necessary, the Directors may, in order to fulfil their roles and responsibilities, seek independent professional advice, at the expense of the Company.

Corporate Governance (Cont'd)

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

There should be a formal and transparent procedure for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The Remuneration Committee ("RC") comprises four members namely, Mr Steven Simpson (Independent Director), Mr David Chia (Independent Director), Mr Jeffrey Saile (Non-executive Director) and Ms Tan Yeelong (Non-executive Director). The Chairman of the RC is Mr Steven Simpson.

The RC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual Directors and Management. The RC recommends to the Board a framework of remuneration for the Directors serving on the Board and Board committees and also senior executives. It also administers the Company's share option plan ("Share Option Plan") and the Jasper share incentive plan ("Share Incentive Plan").

Although none of the RC members specialize in the area of executive compensation, the RC has access to independent professional expert advice where necessary.

Principle 8: Level and Mix of Remuneration

The level of remuneration should be appropriate to attract, retain and motivate the Directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

In setting remuneration packages, the RC will take into consideration the pay and employment conditions within the industry and in comparable companies with the view to reward successful performance and attract, retain and motivate Directors and employees.

The CEO's remuneration comprises salary, bonus, allowance and benefits. Long-term share incentives form a significant portion of the CEO's total remuneration.

Principle 9: Disclosure on Remuneration

Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.

The Group's remuneration policy aims to provide competitive compensation packages to reward performance and attract, retain and motivate Directors and employees.

In reviewing the remuneration of Directors, the Board considers the Company's performance, the responsibilities and performance of Directors as well as pay conditions within the industry. The fees payable to non-executive Directors reflect the scope and extent of the Director's responsibilities and obligations, based on a remuneration framework comprising basic fees and an additional fee for chairing the various board committees. Such fees are recommended as a lump sum payment for approval by shareholders at the AGM of the Company. No Director is involved in deciding his/her own remuneration.

Remuneration for the CEO is formulated and reviewed by the RC. The remuneration package is intended to be competitive and to motivate the CEO to achieve the Company's goals which should be aligned with shareholders' interests. The CEO has a fixed term service contract in which long-term share incentives form a substantial part of total remuneration.

Details of the remuneration of the Directors of the Company for financial year ended 31 March 2012 within bands of US\$250,000 are set out below:-

Directors	Fixed %	Variable %	Directors' Fees %	Allowances and Other Benefits %	Total %
<i>Below US\$250,000</i>					
Steven Simpson	-	-	61	39	100
David Chia	-	-	60	40	100
Jeffrey Saile	-	-	65	35	100
Tan Yeelong	-	-	60	40	100
<i>US\$500,000 and above</i>					
Geoffrey Yeoh	24	-	-	76 ⁽¹⁾	100

Note:

(1) Included in this are long-term share incentives which, in aggregate, account for 75% of total remuneration.

In determining the remuneration package of senior executives, the RC takes into consideration their performance and value-add to the Group, giving due regard to the financial health and business needs of the Group. Currently the Company has two share-based incentive schemes, the Share Option Plan and the Share Incentive Plan which allow employees to share in the growth and success of the Company. Details of the Share Option Plan and the Share Incentive Plan can be found in the "Directors' Report" section of the Annual Report.

To provide a broad perspective of the remuneration of the key executives while maintaining confidentiality of employees' remuneration, the table below sets out the remuneration of the executives' remuneration within bands of US\$250,000.

	Names
US\$250,000 to less than US\$500,000	Eisso Koenders Jens Rasmussen Tan Choon Sze Lee Mee Kium Paul Ezekiel

There is no employee of the Company and its subsidiaries who is an immediate family member of any Director and/or any substantial shareholder and whose remuneration exceeds S\$150,000 during the financial year ended 31 March 2012.

As matters have been made in this Report, the Board is of the opinion that a separate remuneration report will not be necessary.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is accountable to the shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to shareholders in compliance with statutory requirements and the Listing Manual of the SGX-ST.

The Board aims to provide shareholders with a balanced and understandable assessment of the Company's and Group's performance, position and prospects when presenting the annual financial statements, announcements of financial results, material transactions and other matters relating to the Group. This responsibility extends to interim and price sensitive public reports and reports to regulators, where required. Financial results and annual reports are announced or issued within the legally prescribed periods.

Corporate Governance (Cont'd)

Management is accountable to the Board. Management currently provides periodic financial reports to the Board and updates the Board regularly on the business operations of the Group.

Principle 11: Audit Committee

The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

The Audit Committee ("AC") currently comprises three members namely, Mr David Chia (Independent Director), Mr Steven Simpson (Independent Director) and Ms Tan Yeelong (Non-executive Director). Mr David Chia is Chairman of the AC.

The AC's scope of authority is formalized in its terms of reference, which include the statutory functions of an audit committee as prescribed under the Companies Act of Singapore and applicable listing rules of the SGX-ST. The Board is of the view that the AC members have the appropriate experience and qualifications to discharge their responsibilities effectively.

The responsibilities of the AC include reviewing with the external auditors their annual audit plan, findings and their recommendation to Management as well as Management's responses, their evaluation of the system of internal accounting controls and their audit report. The AC also reviews the scope and results of the internal audit procedures, the assistance given by Management to the external and internal auditors, and any formal announcements relating to the financial performance of the Company and the Group prior to their submission to the Board. The AC also recommends the appointment or re-appointment of the external and internal auditors, taking into account the scope and results of the audit and its cost effectiveness and the independence of the external and internal auditors. The AC has full authority to investigate matters within its terms of reference.

Since 2006 and on the recommendation of the AC which was approved by the Board, the Company has put in place arrangements whereby concerns of possible improprieties in matters of financial reporting or other matters may be raised in confidence to the AC. These arrangements were effected to ensure independent investigation of such matters and appropriate follow-up.

The AC met 4 times during the year, with 100% attendance record by its members. Invitations were also extended to other Board members to attend AC meetings. The AC has full access to both the internal and external auditors and vice versa. During the year, the AC has met with the external auditors without the presence of Management and has reviewed the overall scopes of both the internal and external audits.

The AC also has unrestricted access to Management and has full discretion to invite other Directors, the CEO or any executives to its meetings. It also has access to adequate resources to enable it to discharge its responsibilities properly.

The AC reviews the independence of the external auditors annually. The AC, having reviewed the range and value of non-audit services performed by the external auditors, Foo Kon Tan Grant Thornton LLP ("FKTGT"), is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC has recommended that FKTGT be nominated for re-appointment as auditors at the forthcoming AGM.

Principle 12: Internal Controls

The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

The Board is responsible for ensuring that Management maintains a sound system of internal controls to safeguard shareholders' interests and the Company's assets.

The Company's external auditors carry out, in the course of their annual statutory audit, a review of the Company's material internal controls, including financial, operational and compliance controls and risk management to the extent of the scope of audit as laid out in their audit plan. In addition, the Company's internal auditors ("IA") periodically audit the Group's operations and business practices to provide reasonable assurance that internal controls established and maintained by Management are operating effectively. Material non-compliance and internal control weakness noted during the audit and by the internal auditor, as well as the auditors' recommendations to address such non-compliance and weakness are reported to the AC.

While no system can provide absolute assurance against material loss or financial misstatement, the Group's internal controls and systems are designed to provide reasonable assurance as to the integrity and reliability of the financial information and to safeguard and maintain accountability of its assets. The Board's internal controls set out approval limits for expenditure, investments and divestments and cheque signatory arrangements.

During the year, with the assistance of the IA, the Group conducted a review of its significant enterprise risks and the key controls in place to address those risks. In addition, a Control Self Assessment was also conducted with the assistance of the IA with process owners to ascertain the existence and operation of key controls within the Group during the year under review. Audit findings and recommendations arising from the work of the IA and external auditors were promptly addressed and wherever possible resolved by Management. Based on the foregoing, and with the concurrence of the AC, it is the opinion of the Board that there are adequate controls to address financial, operational and compliance risks of the Group with its current business and operating environments.

Principle 13: Internal Audit

The company should establish an internal audit function that is independent of the activities it audits.

The function of the IA is to provide objective opinions and assurances to the AC and Management as to the adequacy of the internal control processes, identify business, financial and operational risks and to recommend the formulation of policies and plans for effective compliance control.

The Company has outsourced its internal audit function to Baker Tilly Consultants (S) Pte Ltd which reports primarily to the Chairman of the AC. The IA is expected to meet or exceed the standards set by nationally or internationally recognized professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The IA has unrestricted direct access to the AC. The IA plans its scope of internal audit work each year in consultation with the AC and submits its annual audit plan to the AC for approval. The AC may also meet with the IA without the presence of Management to review Management's level of cooperation and other matters that warrants AC's attention.

The IA supports the AC in its role to assess the effectiveness of the Group's overall system of internal controls. The assistance provided by the IA is primarily achieved through the IA's appraisals of the financial and operational controls, policies and procedures established by Management and their reviews for compliance by the Group's operating entities with these established controls, policies and procedures.

During the year, the AC has reviewed the effectiveness of the IA and is satisfied that the IA is adequately resourced to fulfil its obligations.

COMMUNICATION WITH SHAREHOLDERS

Principle 14: Communication with Shareholders

Companies should engage in regular, effective and fair communication with shareholders.

In accordance with the Company's continuing disclosure obligations pursuant to the SGX-ST Listing Manual and the Companies Act, the Company ensures that shareholders are informed of all major developments within the Group. The Company communicates information to shareholders through announcements released to the SGX-ST via SGXNET. Such announcements include its yearly and quarterly financial results, material transactions and other developments relating to the Group requiring disclosure under the corporate disclosure policy of the SGX-ST. The Company maintains a website (www.jasperinvests.com) where the public can access information on the Group.

All shareholders are sent the Annual Report together with the notice of the AGM. The notice of AGM, which sets out the items of business to be transacted at the AGM, is also advertised in a mass circulated newspaper.

Corporate Governance (Cont'd)

Principle 15: Greater Shareholder Participation

Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company's main forum for dialogue with shareholders takes place at its AGM, where the members of the Board, senior Management and the external auditors are in attendance. Shareholders are encouraged to attend the AGM and other general meetings and the Company welcomes questions from shareholders who are given an opportunity to raise issues and ask questions about the Company either formally or informally.

The Company's Articles of Association allow a shareholder entitled to attend and vote to appoint two proxies who need not be a shareholder to attend and vote on his/her behalf at general meetings. Resolutions requiring shareholders' approval are tabled separately for adoption at general meetings unless the matters for consideration are closely related and would more appropriately be considered together. Items of special business to be transacted at general meetings are accompanied, where required, by an explanation for the proposed resolution.

ADDITIONAL INFORMATION

Dealing in Securities

The Company has adopted a policy on dealings in the securities of the Company applicable to its Directors and Management. The policy is modeled on the Best Practices Guide in the SGX-ST Listing Manual. Under this policy, Directors and Management are prohibited from dealing in the Company's Shares during the period beginning one month before and ending on the date of the full year and half year results as well as two weeks before and ending on the date of the release of the quarterly results.

Directors and employees are expected to comply with and observe the insider trading laws at all times even when dealing in the Company's securities outside the prohibited periods. They are discouraged from dealing in the Company's securities on short-term considerations.

Interested Person Transactions

In December 2008, shareholders approved a general mandate covering transactions involving the provision of financial assistance by the Company's controlling shareholder and companies/entities associated with it to the Group ("IPT Mandate"). The IPT Mandate was subsequently renewed annually with the last renewal in July 2011.

For the financial year under review, there were neither any interested person transactions conducted under the IPT Mandate nor any interested person transactions of S\$100,000 or above.

Material Contracts

There were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the CEO, any Director or controlling shareholder.

Financial Statements

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Directors' Report

The directors of the Company ("Directors") submit this annual report to the members together with the audited consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 31 March 2012.

1. DIRECTORS

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

Steven Simpson - Chairman
Geoffrey Yeoh
David Chia
Jeffrey Saile
Tan Yeelong

2. ARRANGEMENT TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Except as disclosed under the "Share Plans" section of this Report, neither at the end of or at any time during the financial year was the Company or any of its subsidiaries a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or of any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50, the interests of the Directors who held office at the end of the financial year in shares, debentures and options of the Company and its related corporations are as follows:

	Holdings in the name of the Director, spouse or infant children	
	At beginning of year or date of appointment if later	At end of year
The Company		
<i>Ordinary Shares</i>		
Steven Simpson	412,000	1,000,000
Geoffrey Yeoh	18,322,500	35,954,853
David Chia	175,000	775,000
Jeffrey Saile	-	600,000
Tan Yeelong	-	600,000
<i>Options to subscribe for ordinary shares</i>		
Steven Simpson	5,000,000	5,000,000
David Chia	5,000,000	5,000,000
<i>Contingent award of shares to be delivered after 31 March 2012 pursuant to the Share Incentive Plan</i>		
Geoffrey Yeoh	26,000,000	13,000,000 ⁽¹⁾

Note:

(1) The number is subject to a price adjustment mechanism.

There were no changes to any of the above-mentioned interests between the end of the financial year and 21 April 2012.

4. DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, and this report, since the end of the previous financial year, no Director has received or has become entitled to receive a benefit under contract which is required to be disclosed under Section 201(8) of the Companies Act, Cap. 50.

5. SHARE PLANS

(a) Jasper Share Option Plan and Jasper Share Incentive Plan

The Company's share option plan ("Share Option Plan") and share incentive plan ("Share Incentive Plan") (collectively referred to as the "Share Plans") were approved and adopted by shareholders at an Extraordinary General Meeting held on 30 July 2009.

The Remuneration Committee (the "Committee") of the Company is responsible for administering the Share Plans. As at the date of this report, the Committee comprises the following members:-

Steven Simpson	-	Chairman (Independent, Non-Executive Director)
David Chia	-	Member (Independent, Non-Executive Director)
Jeffrey Saile	-	Member (Non-Independent, Non-Executive Director)
Tan Yeelong	-	Member (Non-Independent, Non-Executive Director)

The Share Option Plan provides an opportunity to employees of the Group to participate in the equity of the Company so as to motivate them, and to give recognition to non-executive directors, employees of the Company's holding company and its subsidiaries and employees of certain associated companies (over whose management the Company has control) who have contributed to the success of the Company and/or the Group.

The Share Incentive Plan is a performance-cum-incentive scheme for employees of the Company and its subsidiaries (including non-executive Directors of the Company). The Share Incentive Plan is based on a principle of pay-for-performance and is designed to reward, retain and motivate Group employees.

Subject to the prevailing legislation and the rules of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Company will have the flexibility to deliver ordinary shares in the capital of the Company ("Shares") to participants upon exercise of their options or, as the case may be, the vesting of their awards by way of:

- (a) an issue of new Shares; and/or
- (b) the delivery of existing Shares.

The aggregate number of new Shares which may be issued pursuant to options granted under the Share Option Plan on any date, when added to the number of new Shares issued and issuable in respect of all awards granted under the Share Incentive Plan, shall not exceed 15% of the total number of issued Shares (excluding treasury shares) on the day preceding that date.

The Share Plans shall continue in effect, at the discretion of the Committee, up to (and including) 29 July 2019, provided always that the Share Plans may continue beyond the above stipulated period with the approval of Shareholders in a general meeting and of any relevant authorities which may then be required. Notwithstanding the expiry or termination of the Share Plans, any options granted and/or awards made to participants prior to such expiry or termination will continue to remain valid.

(b) Other information regarding the Share Option Plan is as follows:

An option granted pursuant to the Share Option Plan represents a right to acquire the Shares which are the subject of such option at the acquisition price per Share ("Exercise Price") applicable thereto. The selection of a participant and the number of Shares comprised in options to be offered to such participant in accordance with the Share Option Plan shall be determined at the absolute discretion of the Committee, who shall take into account criteria such as his rank, job performance, years of service, potential for future development and his contribution to the success and development of the Group.

The Exercise Price payable for each of the Shares which is the subject of an option may be fixed (i) at the market price of a Share; (ii) at a premium to the market price of a Share; (iii) at the market price of a Share, but which may be adjusted (after the expiry of an incentive period) by a discount of up to 20% of the market price of a Share; and/or (iv) at a discount (up-front) of up to 20% of the market price of a Share.

Directors' Report (Cont'd)

5. SHARE PLANS (cont'd)

In general, an option may be exercised by a participant, in whole or in part, during the exercise period applicable to such option subject to any conditions (including any vesting schedule) that may be imposed by the Committee in relation to the vesting of any Shares comprised in that option.

(c) Unissued Shares under Options

There were no options granted under the Share Option Plan during the financial year ended 31 March 2012. The options granted by the Company do not entitle the holders of the options, by virtue of such holdings, to any right to participate in any share issue of any other company.

At the end of the financial year, there were the following unissued Shares under options:

	Number of Holders	Date of Grant	Exercise Period	Exercise Price per share	Number of unissued shares under options
Non-Executive Directors of the Company	2	18 November 2009	18 November 2012 to 18 November 2014	S\$0.13 ⁽¹⁾	10,000,000
Total:	2				10,000,000

(1) The 10,000,000 unissued Shares under options granted to the Non-Executive Directors were granted at a discount of 8.45% of the market price of the Shares at the time of the grant of the options.

The aggregate number of options granted since the commencement of the Share Option Plan to the end of the financial year is as follows:

Participants	Options granted in the financial year ended 31 March 2012	Aggregate options granted since the commencement of the Share Option Plan	Aggregate options exercised since the commencement of the Share Option Plan	Aggregate options lapsed or cancelled	Aggregate outstanding options as at 31 March 2012
Directors of the Company:					
Steven Simpson	-	5,000,000	-	-	5,000,000
David Chia	-	5,000,000	-	-	5,000,000
Other participants:					
Employees of the Group	-	13,000,000	-	13,000,000	
Total:	-	23,000,000⁽¹⁾	-	13,000,000⁽¹⁾	10,000,000

(1) In addition, 5,000,000 options were previously granted to a director who had retired from the Board. These options have been cancelled.

(d) Other information regarding the Share Incentive Plan is as follows:

Under the Share Incentive Plan, awards are granted to eligible participants. Awards represent the right of a participant to receive fully paid Shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed vesting periods (where applicable). Participants are not required to pay for the grant of awards.

The selection of a participant and the number of Shares which are the subject of each award to be granted to a participant in accordance with the Share Incentive Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and, if applicable, the difficulty with which the performance target(s) may be achieved within the performance period.

5. SHARE PLANS (cont'd)

(e) Awards under the Share Incentive Plan

During the financial year, 32,423,765 ordinary shares in the Company were allotted and issued to participants of the Share Incentive Plan. The details of the Shares awarded during the financial year since the commencement of the Share Incentive Plan are as follows:

Participants	Aggregate number of Shares comprised in awards granted during the year	Aggregate number of Shares comprised in awards granted since the commencement of the Share Incentive Plan	Aggregate number of Shares comprised in awards which have been released during the year	Aggregate number of Shares comprised in awards which have lapsed or are cancelled	Aggregate number of Shares comprised in awards which have not been released during the year
Directors of the Company:					
Steven Simpson	840,000	840,000	840,000	-	-
Geoffrey Yeoh	6,882,353	45,882,353	19,882,353	-	13,000,000
David Chia	600,000	600,000	600,000	-	-
Jeffrey Saile	40,600,000	40,600,000	600,000	-	40,000,000
Tan Yeelong	600,000	600,000	600,000	-	-
Employees of the Group	27,302,412	39,762,412	9,901,412	334,000	24,068,000
Total:	76,824,765	128,284,765 ⁽¹⁾	32,423,765	334,000	77,068,000

(1) This includes 18,459,000 shares comprised in awards which had been released prior to FY2012.

No Participants (including Directors of the Company) have been granted options pursuant to the Share Option Plan and/or have received new Shares awarded under the Share Incentive Plan, which, in aggregate, represent 5% or more of the aggregate of (1) the total number of new Shares available under the Share Option Plan and the Share Incentive Plan collectively; and (2) the total number of existing Shares delivered pursuant to the options exercised under the Share Option Plan and awards released under the Share Incentive Plan collectively.

No participant of the Share Option Plan or Share Incentive Plan is a controlling shareholder of the Company or its associate (as those terms are defined in the Listing Manual of the SGX-ST).

6. AUDIT COMMITTEE

At the date of this report, the Audit Committee comprise the following members:

David Chia	-	Chairman (Independent, Non-Executive Director)
Steven Simpson	-	Member (Independent, Non-Executive Director)
Tan Yeelong	-	Member (Non-Independent, Non-Executive Director)

The Audit Committee performs, amongst others, the functions set out in Section 201B of the Singapore Companies Act, Cap. 50.

In performing those functions, the Committee reviews:

- the audit plans of the Company's auditors and their evaluation of the systems of internal accounting controls arising from their audit examination, including assistance given by the Company's officers to the auditors;
- the scope and results of internal audit procedures;

Directors' Report (Cont'd)

6. AUDIT COMMITTEE (cont'd)

- the statements of financial position of the Company and the consolidated financial statements of the Group before their submission to the Board of Directors; and
- interested party transactions (as defined in the Listing Manual of the SGX-ST).

The Audit Committee has recommended to the Board of Directors that the independent auditor Foo Kon Tan Grant Thornton LLP be nominated for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting of the Company.

7. INDEPENDENT AUDITOR

The independent auditor, Foo Kon Tan Grant Thornton LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board

GEOFFREY YEOH
Director

DAVID CHIA
Director

Dated: 26 June 2012

Statement by Directors

for the financial year ended 31 March 2012

In the opinion of the Directors, the accompanying statement of financial position of the Company and the consolidated financial statements of the Group, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2012 and of results of the business, changes in equity and cash flows of the Group for the financial year ended on that date, and 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 Directors

GEOFFREY YEOH
Director

DAVID CHIA
Director

Dated: 26 June 2012

Independent Auditor's Report

to the members of Jasper Investments Limited

Report on the financial statements

We have audited the accompanying financial statements of Jasper Investments Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Company and the Group as at 31 March 2012, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Independent auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the 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 2012, and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

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

Foo Kon Tan Grant Thornton LLP
Public Accountants and
Certified Public Accountants

Singapore, 26 June 2012

Statements of Financial Position

as at 31 March 2012

	Note	Group			Company	
		31 March 2012 US\$'000	31 March 2011 US\$'000 (Restated)	1 April 2010 US\$'000	31 March 2012 US\$'000	31 March 2011 US\$'000
Assets						
Non-Current						
Plant and equipment	4	447,812	527,957	540,642	51	109
Rig newbuildings	5	74,634	36,365	-	-	-
Investments	6	36	36	36	36	36
Subsidiaries	7	-	-	-	116,372	142,577
		522,482	564,358	540,678	116,459	142,722
Current						
Inventory	8	7,715	5,643	2,976	-	-
Trade and other receivables	9	12,056	1,190	1,490	331,648	290,698
Available-for-sale financial assets	10	-	12,544	-	-	-
Cash and bank balances	11	20,286	29,187	29,442	515	28,363
		40,057	48,564	33,908	332,163	319,061
Total assets		562,539	612,922	574,586	448,622	461,783
Equity						
Capital and Reserves						
Share capital	12	586,418	573,467	368,745	586,418	573,467
Retained profits		(215,295)	(128,060)	(88,350)	(153,599)	(120,330)
Other reserves	13	4,674	8,024	4,033	335	300
		375,797	453,431	284,428	433,154	453,437
Non-controlling interests		(1,060)	631	9,457	-	-
Total equity		374,737	454,062	293,885	433,154	453,437
Liabilities						
Non-Current						
Borrowings	14	161,352	-	190,672	-	-
		161,352	-	190,672	-	-
Current						
Trade and other payables	15	26,409	33,713	42,230	15,468	2,717
Borrowings	14	-	124,996	46,160	-	5,585
Current tax payable		41	151	1,639	-	44
		26,450	158,860	90,029	15,468	8,346
Total liabilities		187,802	158,860	280,701	15,468	8,346
Total equity and liabilities		562,539	612,922	574,586	448,622	461,783

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Income Statement

for the financial year ended 31 March 2012

	Note	2012 US\$'000	2011 US\$'000 (Restated)
Revenue	3	26,163	515
Cost of sales		(42,548)	(21,454)
Gross loss		(16,385)	(20,939)
Other income	16	10,078	22,760
Other expenses	17	(3,921)	(7,052)
Administrative expenses		(8,170)	(10,133)
Impairment of plant and equipment		(55,794)	(22,678)
Interest expenses		(20,907)	(9,572)
Loss before taxation	19	(95,099)	(47,614)
Taxation	20	6,173	94
Total loss for the year		(88,926)	(47,520)
Attributable to:			
Equity holders of the Company		(87,235)	(39,351)
Non-controlling interests		(1,691)	(8,169)
		(88,926)	(47,520)
Loss per share	21	Cents	Cents
Basic loss per share		(2.157)	(2.021)
Diluted loss per share		(2.157)	(2.021)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Comprehensive Income

for the financial year ended 31 March 2012

	Note	2012 US\$'000	2011 US\$'000 (Restated)
Loss for the year		(88,926)	(47,520)
Other comprehensive loss for the year:			
(Decrease)/increase in other reserves	13	(3,350)	3,541
Total comprehensive loss for the year		(92,276)	(43,979)
Total comprehensive loss attributable to:			
Equity holders of the Company		(90,585)	(35,810)
Non-controlling interests		(1,691)	(8,169)
Total comprehensive loss for the year		(92,276)	(43,979)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Changes in Equity

for the financial year ended 31 March 2012

	Share capital US\$'000	Other reserve US\$'000	Capital reserve US\$'000 (Note 13)	Share option reserve US\$'000	Exchange translation reserve US\$'000	Fair value reserves US\$'000	Total other reserves US\$'000	Retained profits US\$'000	Total US\$'000	Non- controlling interests US\$'000	Grand total US\$'000
Balance as at 1 April 2010	368,745	2,982	-	144	907	-	4,033	(88,350)	284,428	9,457	293,885
Issue of ordinary shares (Note 12)	204,722	-	-	-	-	-	-	-	204,722	-	204,722
Change of the functional currency of a subsidiary	-	-	-	-	359	-	359	(359)	-	-	-
Acquisition of additional shares from non-controlling interests	-	-	297	-	-	-	297	-	297	(863)	(566)
Dilution of non-controlling interests	-	-	(206)	-	-	-	(206)	-	(206)	206	-
Total comprehensive income/ (loss) for the year	-	-	-	156	-	3,385	3,541	(39,351)	(35,810)	(8,169)	(43,979)
Balance at 31 March 2011	573,467	2,982	91	300	1,266	3,385	8,024	(128,060)	453,431	631	454,062
Issue of ordinary shares (Note 12)	12,951	-	-	-	-	-	-	-	12,951	-	12,951
Total comprehensive income/ (loss) for the year	-	-	-	35	-	(3,385)	(3,350)	(87,235)	(90,585)	(1,691)	(92,276)
Balance at 31 March 2012	586,418	2,982	91	335	1,266	-	4,674	(215,295)	375,797	(1,060)	374,737

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows

for the financial year ended 31 March 2012

	2012 US\$'000	2011 US\$'000 (Restated)
Cash Flows from Operating Activities		
Loss before taxation	(95,099)	(47,614)
Adjustments for:		
Write-off of plant and equipment	6	1,110
Depreciation of plant and equipment	15,779	292
Interest income	(13)	(25)
Interest expenses	20,907	9,572
Amortisation of discount on bond	500	1,000
Amortisation of bond transaction charges	976	1,000
Loss on disposal of plant and equipment	938	2,650
Gain on disposal of available-for-sale financial assets	(4,034)	(16,120)
Gain on disposal of subsidiaries (Note B)	-	(5,152)
Impairment in value of plant and equipment	54,411	22,678
Issuance of shares under share incentive plan	2,008	1,176
Share option expenses	35	157
Operating loss before working capital changes	(3,586)	(29,276)
Increase in inventories	(1,839)	(1,290)
(Increase)/decrease in operating receivables	(6,834)	960
Decrease in operating payables	(4,198)	(12,049)
Cash used in operations	(16,457)	(41,655)
Income taxes recovered	6,063	236
Net cash used in operating activities	(10,394)	(41,419)
Cash Flows from Investing Activities		
Acquisition of plant and equipment (Note A)	(331)	(16,726)
Acquisition of rig newbuildings (Note 5)	(38,269)	(36,365)
Acquisition of available-for-sale financial assets	-	(31,932)
Acquisition of additional shares in subsidiary from non-controlling interests (Note C)	-	(566)
Interest received	13	25
Proceeds from disposal of plant and equipment	1,182	1,305
Proceeds from disposal of available-for-sale financial assets	13,194	38,891
Net cash used in investing activities	(24,211)	(45,368)
Cash Flows from Financing Activities		
Proceeds from issuance of new shares (Note D)	10,943	203,546
Interest paid	(20,355)	(2,484)
Fixed deposits pledged as security	-	(250)
Bank current account pledged as security	-	(93)
Proceeds from issue of bonds	160,875	-
Repayment of shareholder loan	-	(201,832)
(Repayment of)/proceeds from financial institution loan	(75,000)	72,000
(Repayment of)/proceeds from bank loan	(50,996)	15,996
Net cash generated from financing activities	25,467	86,883
Net (decrease)/increase in cash and cash equivalents	(9,138)	96
Effect of foreign exchange rate changes	237	(694)
Cash and cash equivalents at beginning	29,187	29,442
Cash and cash equivalents at end (Note 11)	20,286	28,844

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows (Cont'd)

for the financial year ended 31 March 2012

Notes:

A. Acquisition of plant and equipment

During the financial year, the Group acquired plant and equipment with an aggregate cost of approximately US\$0.3 million (2011 - US\$16.7 million). Cash payments of approximately US\$0.3 million (2011 - US\$16.7 million) were made to purchase plant and equipment.

B. Deconsolidation/disposal of subsidiaries

In the previous financial year, two subsidiaries were in the process of liquidation and were deconsolidated. The assets disposed and liabilities discharged were as follows:

	2012 US\$'000	2011 US\$'000
Net assets disposed of		
Provision for taxation	-	(1,629)
Cash and bank balances	-	15
Receivables	-	34
Payables	-	(187,265)
Impairment of non-trade balances, from former subsidiaries	-	183,708
	-	(5,137)
Gain on disposal	-	5,152
Sale proceeds	-	15
Cash and bank balances disposed of	-	(15)
Net cash decrease in cash and cash equivalents	-	-
Net cash inflow from disposal of subsidiaries	-	-

C. Acquisition of additional shares in subsidiary from non-controlling interests

In the previous financial year, the Group acquired an additional 1.55% interest in Jasper Offshore (Cyprus) Ltd ("JOL") for approximately US\$0.57 million in cash, increasing its shareholding from 91.31% to 92.86% based on the then total issued capital of JOL. The net asset value of JOL in the consolidated financial statements on the date of the acquisition was approximately US\$55.7 million. With the increase in its interest in JOL, the Group recognised a reduction in non-controlling interests of approximately US\$0.86 million. This gave rise to a negative goodwill of approximately US\$0.29 million which was recognised as capital reserve.

	2012 US\$'000	2011 US\$'000
Non-controlling interests acquired		
Consideration paid for acquisition of non-controlling interests	-	566
Decrease in equity attributable to non-controlling interests	-	(863)
Increase in equity attributable to owners of the parent/ Negative goodwill arising from consolidation	-	(297)

D. Issuance of new shares

	2012 US\$'000	2011 US\$'000
Issue of New Shares	10,943	203,546

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Notes to the Financial Statements

for the financial year ended 31 March 2012

1 General information

The Company is a limited liability company domiciled in Singapore.

The Group had on 1 April 2011 exercised its option granted by Keppel FELS Limited ("KFELS") on 21 December 2010 to build a second KFELS B Class jack-up rig for approximately US\$180 million. The first jack-up rig is scheduled for delivery in November 2012 and the second in May 2013.

In May 2011, the Group issued US\$165 million Senior Secured Bonds with a tenor of five years. The funds were used to repay bank loans, redeem US\$75 million one year notes ("Senior Notes") and fund working capital requirement for the "Jasper Explorer".

On 1 October 2011, the drilling rig "Jasper Explorer" arrived in Guinea, West Africa and commenced drilling operation under a contract with AGR Management Ltd. In February 2012, "Jasper Explorer" had completed drilling Sabu-1. The Company is in discussions with certain potential clients to secure new contract.

In November 2011, the Group had awarded a US\$73.6 million contract to a subsidiary of China Merchants Industry Holding Co. Ltd ("CMIH") to retrofit and convert the Neptune Finder ("Finder") semi-submersible into a 500-man accommodation rig in Shekou, China. The accommodation rig is scheduled for delivery in second half 2013.

The registered office of the Company is located at 1 HarbourFront Avenue #14-01, Keppel Bay Tower, Singapore 098632.

The principal activity of the Company is that of an investment holding company. The principal activities of the key subsidiaries are those of ownership of offshore marine drilling rigs and the provision of offshore marine oil & gas drilling services.

The financial statements of the Group and the Company for the year ended 31 March 2012 were authorised for issue in accordance with a resolution of the Directors on 26 June 2012.

The parent company is Morton Bay (Holdings) Pte Ltd whose registered address is at 36 Carpenter Street, Singapore 059915.

2(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related interpretations promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Group and the Company will be able to meet their obligations as and when they fall due in the next twelve months. The Group incurred a net loss after tax of US\$88.93 million (2011 - US\$47.52 million) and a negative operating cashflows of US\$10.39 million (2011 - US\$41.42 million) during the financial year ended 31 March 2012.

The Group has received letters of interest from prospective customers expressing interest in procuring drilling services from the Group's fleet of drilling rigs. The "Jasper Explorer" is currently undergoing repairs and is expected to be operational by 4th quarter of 2012, and the deliveries of the "Jasper Adventurer" and the "Jasper Beacon" are expected in November 2012 and May 2013 respectively. The Group is actively engaging these potential customers to secure contracts for the rigs which are subject to satisfactory completion of due diligence on the rigs and successful outcome of commercial negotiations.

The Group has the ability to generate additional working capital either through financing from financial institutions or to dispose of certain of its assets. The Group is of the view that there is currently a healthy demand for premium jack-up rigs which would facilitate a disposal, if necessary.

Based on the foregoing, the Directors are of the view that there is reasonable assurance that the Group will be able to meet its obligations as and when they fall due in the next twelve months and a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

If for any reason, the Group is unable to continue as a going concern, it could have an impact on the Group's ability to realise assets at their recognised values.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 March 2012

2(a) Basis of preparation (cont'd)

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below:

Depreciation of plant and equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of plant and equipment to be within 3 to 20 years. The carrying amount of the Company's and the Group's plant and equipment as at 31 March 2012 are US\$447.81 million and US\$51,000 (2011 - US\$527.96 million and US\$109,000) respectively. 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.

Impairment of plant and equipment and rig newbuildings

The Group assesses annually whether plant and equipment and rig newbuildings have any indication of impairment in accordance with the accounting policy. The recoverable amounts of plant and equipment and rig newbuildings have been determined based on value-in-use calculations and fair value less costs of sale. The value-in-use calculations require the Group to estimate the future cash flows expected from the cash generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the recoverability of the assets based on such estimates and has made the necessary allowance for impairment as disclosed in Notes 4 and 5.

Impairment in investment in subsidiaries

Determining whether investment in subsidiaries is impaired requires an estimation of the value-in-use of that investment. The value-in-use calculation requires the Group to estimate the future cash flows expected from the cash-generating units 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 based on such estimates.

Income tax

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income tax. There are also claims for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group's income expense is based on the income and statutory tax rate imposed in the tax jurisdictions in which the subsidiaries conduct operations. In some cases, tax rates may be applicable to gross revenue rather than to net income.

Impairment of bad and doubtful debts

The Group and the Company make allowances for bad and doubtful debts based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expected outcome is different from the original estimate, such differences will impact the carrying value of trade and other receivables and doubtful debts expenses in the year in which such estimate has been changed (Note 9).

Allowance for inventory obsolescence

Inventories are stated at the lower of cost and net realisable value. In determining the net realisable value, the directors estimate the future selling price in the ordinary course of business, less the estimated costs of selling expenses. The carrying amounts of inventories at the end of reporting period are disclosed in Note 8 to the financial statements.

2(b) Interpretation and amendments to published standards effective in 2011

On 1 April 2011, the Group and the Company adopted the new or amended FRS and INT FRS that are mandatory for application from 1 January 2011. This includes the following FRS and INT FRS which are relevant:

	Description	Effective date (Annual periods beginning on or after)
FRS 24	Related Party Disclosures	1.1.2011
FRS 32	Classification of Rights Issues (Amendments to FRS 32)	1.2.2010
General amendments	Improvements to FRSs 2010	
INT FRS 119	Extinguishing Financial Liabilities with Equity Instruments	1.7.2010

The adoption of the above new and amended FRS and INT FRS did not result in substantial changes to the Group's and the Company's accounting policies nor any significant impact on these financial statements.

2(c) FRS and INT FRS issued but not yet effective

At the date of authorization of these financial statements, the following FRS and INT FRS were issued but not yet effective and which the Group and the Company has not early adopted:

	Description	Effective date (Annual periods beginning on or after)
FRS 1	Amendments to FRS 1- Presentation of Items of Other Comprehensive Income	1.7.2012
FRS 12	Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets	1.1.2012
FRS 19	Employee Benefits	1.1.2013
FRS 27	Separate Financial Statements	1.1.2013
FRS 28	Investments in Associates and Joint Ventures	1.1.2013
FRS 32	Offsetting of Financial Assets and Financial Liabilities	1.1.2014
FRS 101	Amendments to FRS 101 Severe Hyperinflation and Removal of Fixed Dates of First-time Adopters	1.7.2011
FRS 107	Amendments to FRS 107 Disclosures - Transfer of Financial Assets	1.7.2011
FRS 107	Offsetting of Financial Assets and Liabilities	1.1.2013
FRS 110	Consolidated Financial Statements	1.1.2013
FRS 111	Joint Arrangements	1.1.2013
FRS 112	Disclosure of Interests in Other Entities	1.1.2013
FRS 113	Fair Value Measurements	1.1.2013
INT FRS 120	Stripping Costs in the Production Phase of a Surface Mine	1.1.2013

The Directors do not anticipate that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 March 2012

2(d) Summary of significant accounting policies

Consolidation

The accounting year of the Company and all subsidiaries in the Group ends on 31 March.

The financial statements of the Group include the financial statements of the Company and its subsidiaries made up to the end of the financial year. Information on its subsidiaries is given in Note 7.

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority 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. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of financial position, consolidated statement of comprehensive income and statement of changes in equity. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

Disposals of subsidiaries or businesses

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are de-recognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

Transactions with non-controlling interests

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

2(d) Summary of significant accounting policies (cont'd)

Plant and equipment and depreciation

Plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed utilising the straight-line method to write off the cost of these assets over their estimated useful lives as follows:

Drilling rigs	20 years
Hand tools	7 years
Drilling and movable equipment	5 years

The estimated useful lives of the other plant and equipment are as follows:

Plant and machinery	4 to 8 years
Motor vehicles	4 to 5 years
Equipment, furniture and fittings	3 to 10 years

Construction-in-progress is not depreciated until the assets are completed and ready for use.

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of plant and equipment.

Subsequent expenditure relating to plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economics benefits, in excess of the standard of 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.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition to the month before disposal respectively. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation methods, useful life and residual values are reviewed and adjusted as appropriate at each reporting date as a change in estimates.

Rig newbuildings

Jack-up rigs under construction are stated at cost. Expenditures relating to the construction of jack-up rigs are capitalised when incurred. No depreciation is provided until the construction-in-progress is completed and the jack-up rig is ready for use.

The carrying value of the jack-up rigs is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Club membership

Transferable club memberships are stated at cost less any provision for impairment in value.

Subsidiaries

A subsidiary is an entity controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether there is control.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses, if any, on an individual subsidiary basis.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 March 2012

2(d) Summary of significant accounting policies (cont'd)

Inventories

Inventories mainly comprise of spare parts and consumables which are valued at cost of purchase (including cost incurred in bringing the inventories to their present location and condition) on a first in first out basis less any applicable allowance for obsolescence. When inventories are consumed, the carrying amount of these inventories is recognised as an expense in the year in which the consumption occurs.

Financial assets

The Group and the Company classify its financial assets, other than hedging instruments, into the following categories: "financial assets at fair value through profit or loss", "held-to-maturity investments", "loans and receivables" and "available-for-sale" financial assets. The classification depends on the purpose for which the investments are acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date. The designation of financial assets at fair value through profit or loss is irrevocable.

All financial assets are recognised on their trade date - the date on which the Group and the Company commit to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each end of reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

The Group and the Company carry on the statements of financial position the following categories of financial assets at the end of the reporting period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of reporting period. These are classified as non-current assets, if any.

They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate.

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write-back is recognised in the profit or loss.

Loans and receivables include trade and other receivables, amount owing by related parties in the statements of financial position.

Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that do not qualify for inclusion in any other categories of financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of reporting period.

All financial assets within this category are subsequently measured at fair value with changes in value recognised in equity, net of any effects arising from income taxes, until the financial assets are disposed of or are determined to be impaired, at which time the cumulative gains or losses previously recognised in equity is included in the profit or loss for the period.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity shall be removed from the equity and recognised in the profit or loss even though the financial asset has not been de-recognised.

2(d) Summary of significant accounting policies (cont'd)

Financial assets (cont'd)

Available-for-sale financial assets (cont'd)

The amount of the cumulative loss that is removed from equity and recognised in profit or loss shall be the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through the profit or loss. Impairment losses recognised in the profit or loss for debt instruments classified as available-for-sale are subsequently reversed in the profit or loss if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Assets that fall within these financial assets category are investments held for short-term.

Determination of fair value

The fair values of quoted financial assets are based on current bid prices. If a financial asset has no active market, the Group and the Company establish fair value by using valuation techniques. These include but are not limited to the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models. Where fair values of unquoted instruments cannot be measured reliably, fair value is determined by the transaction price.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank deposits and highly liquid investments which are readily convertible to cash and which are subject to an insignificant risk of changes in value.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Financial liabilities

The Group's and the Company's financial liabilities include borrowings, payables and amount owing to related parties.

Financial liabilities are recognised when the Group and the Company become a party to the contractual agreements of the instrument. All interest-related charges are recognised as expenses in "finance costs" in the profit or loss. Financial liabilities are de-recognised if the Group's and the Company's obligations specified in the contract expire or are discharged or cancelled.

Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method.

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

Borrowings which are due to be settled within 12 months after the reporting date are included in current liabilities in the statements of financial position even though the original terms was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of reporting period and before the financial statements are authorised for issue. Borrowings to be settled within the Group's normal operating cycle are classified as current. Other borrowings due to be settled more than 12 months after the reporting date is included in non-current liabilities in the statements of financial position.

Payables, which represent the consideration for goods and services received, whether or not billed to the Group and the Company, are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method. Payables include trade and other payables, and amount owing to related parties in the statements of financial position.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 March 2012

2(d) Summary of significant accounting policies (cont'd)

Financial liabilities (cont'd)

Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings. The impact, however, is not material.

Financial guarantee contracts are initially recognised at their fair value plus transaction costs.

Financial guarantee contracts are subsequently amortised to the profit or loss over the period of the subsidiaries' borrowings, unless the Company has incurred an obligation to reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the bank.

Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Borrowing costs

Borrowing costs are recognised in the profit and loss as incurred except to the extent that they are capitalised. Borrowing costs are capitalised if they are directly attributable to the construction of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale.

Leases

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.

Rentals on operating leases are charged to the profit or loss on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the profit or loss when incurred.

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint venture, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

2(d) Summary of significant accounting policies (cont'd)

Income taxes (cont'd)

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the date of the financial position; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Employee benefits

Defined contribution plan

The Group makes contributions to pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore incorporated companies in the Group contribute to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. Contributions to pension schemes are recognised as an expense in the period in which the related service is performed.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in the consolidated profit or loss in the accounting period in which the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors of the Company and its subsidiaries are considered key management personnel.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of reporting period.

Employee Share Option Scheme

The Company has an employee share option plan for the granting of non-transferable options.

The Group issues equity-settled share-based payments to certain employees. The fair value of the employee services received in exchange for the grant of options is recognised as an expense in the profit or loss with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in the profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees. In the Company's separate financial statements, the fair value of options granted to employees of its subsidiaries is recognised as an increase in the cost of the Company's investment in subsidiaries, with a corresponding increase in equity over the vesting period.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 March 2012

2(d) Summary of significant accounting policies (cont'd)

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Impairment of non-financial assets

The carrying amounts of the Group's and Company's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the asset belongs will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the profit or loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

A reversal of an impairment loss is credited as income in the profit or loss.

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 if no impairment loss had been recognised.

Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer and the amount of revenue and the costs of the transaction can be measured reliably.

Revenue excludes goods and services taxes and is arrived at after deduction of trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Revenue from drilling contracts or other service contracts is recognised in the period that services are rendered at rates established in the relevant contracts using the time-apportionment basis.

Revenue from mobilisation fee of rigs pertaining to the relocation of drilling rig is recognised when services are performed over a time duration period.

Revenue from demobilisation fee of rigs is recognised when services are rendered.

Revenue from the provision of management services is recognised when the services are rendered.

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

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

2(d) Summary of significant accounting policies (cont'd)

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements of the Group and the statements of financial position of the Company are presented in United States Dollar to the nearest thousand which is the Company's functional and presentation currency.

Conversion of foreign currencies

Monetary assets and liabilities in foreign currencies are translated into functional currency at rates of exchange closely approximating those ruling at end of reporting period. Other transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Exchange differences arising from such transactions are recorded in the profit or loss in the period in which they arise.

Monetary items

Foreign currency monetary items measured at fair value are translated into the functional currency at rates of exchange closely approximating those ruling at end of reporting period. Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates.

Group entities

The results and financial position of all the entities within the Group 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 rates at the end of reporting period;
- (ii) Income and expenses are translated at average exchange rates; and
- (iii) All resulting currency translation differences are recognised in the currency translation reserve in equity.

Currency translation differences on foreign currency non-monetary items carried at fair value, such as investments carried at fair value through statement of comprehensive income, are reported as part of the fair value gain or loss.

Financial instruments

Financial instruments carried on the statements of financial position include cash and cash equivalents, financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. These instruments are recognised when contracted for.

Disclosures on financial risk management objectives and policies are provided in Note 27.

Operating segments

For management purposes, operating segments are recognised based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers are directly accountable to the chief executive officer who regularly reviews the segment results in order to allocate resources to the segments and to assess segment performance.

3 Revenue

Significant categories of revenue, excluding inter-company transactions and applicable goods and services tax, are detailed as follows:

Group	2012 US\$'000	2011 US\$'000
Drilling contract revenue	21,613	-
Mobilisation/demobilisation fee	4,550	-
Management services rendered	-	515
	26,163	515

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 March 2012

4 Plant and equipment

Group	Construction- in-progress US\$'000	Drilling Rig US\$'000	Freehold Land and property US\$'000	Plant and machinery US\$'000	Motor vehicles US\$'000	Equipment, furniture and fittings US\$'000	Total US\$'000
Cost							
At 1 April 2009	354,528	478,346	783	1,673	345	1,588	837,263
Exchange adjustment	9	-	93	177	4	3	286
Additions	92,927	898	-	-	-	36	93,861
Disposals	(3,085)	(281,999)	(876)	(1,850)	(134)	(40)	(287,984)
At 1 April 2010	444,379	197,245	-	-	215	1,587	643,426
Reclassification	(334,097)	334,097	-	-	-	-	-
Reclassification to rig newbuildings (Note 5)	(36,365)	-	-	-	-	-	(36,365)
Additions	42,792	10,287	-	-	-	11	53,090
Disposals	(2,755)	(3,579)	-	-	(55)	(172)	(6,561)
At 31 March 2011	113,954	538,050	-	-	160	1,426	653,590
Additions	209	74	-	-	-	48	331
Disposals	(8,267)	(2,026)	-	-	-	(1,236)	(11,529)
At 31 March 2012	105,896	536,098	-	-	160	238	642,392
Accumulated depreciation and impairment loss							
At 1 April 2009	-	74,984	4	575	131	731	76,425
Exchange adjustment	-	-	1	66	1	1	69
Depreciation for the year	-	14,419	-	-	40	435	14,894
Impairment in value	-	62,000	-	-	-	-	62,000
Disposals	-	(49,850)	(5)	(641)	(96)	(12)	(50,604)
At 1 April 2010	-	101,553	-	-	76	1,155	102,784
Reclassification	34,553	(34,553)	-	-	-	-	-
Depreciation for the year	-	-	-	-	38	254	292
Impairment in value	22,678	-	-	-	-	-	22,678
Disposals	-	-	-	-	(25)	(96)	(121)
At 31 March 2011	57,231	67,000	-	-	89	1,313	125,633
Depreciation for the year	-	15,648	-	-	32	99	15,779
Impairment in value	(1,383)	55,794	-	-	-	-	54,411
Disposals	-	(12)	-	-	-	(1,231)	(1,243)
At 31 March 2012	55,848	138,430	-	-	121	181	194,580
Net book value							
At 31 March 2012	50,048	397,668	-	-	39	57	447,812
At 31 March 2011	56,723	471,050	-	-	71	113	527,957
At 31 March 2010	444,379	95,692	-	-	139	432	540,642

Included in the cost of drilling rig as at 31 March 2011 was an amount of US\$471.05 million (2010 - US\$95.69 million) for which depreciation was not charged as the drilling rig was still undergoing sea trials as per industry requirements and has not been deployed. During the year, the Group commenced the depreciation of the drilling rig.

4 Plant and equipment (cont'd)

Company	Motor vehicle US\$'000	Equipment, furniture and fittings US\$'000	Total US\$'000
Cost			
At 1 April 2010	160	208	368
Additions	-	5	5
At 31 March 2011	160	213	373
Additions	-	1	1
Disposals	-	(32)	(32)
At 31 March 2012	160	182	342
Accumulated depreciation			
At 1 April 2010	55	125	180
Depreciation for the year	34	50	84
At 31 March 2011	89	175	264
Depreciation for the year	32	27	59
Disposals	-	(32)	(32)
At 31 March 2012	121	170	291
Net book value			
At 31 March 2012	39	12	51
At 31 March 2011	71	38	109

The drilling rig represents a significant portion of the Group's assets. The carrying amount of the Group's drilling rig was US\$397.67 million (2011 - US\$471.05 million). Construction-in-progress refers to the semi-submersible, which is in the process of retrofitting and converting into an accommodation rig.

The Group evaluates any indication of impairment in plant and equipment at the end of each reporting period.

During the year, the Group carried out a review of the recoverable amount of its plant and equipment, namely the drilling rig and semi-submersible. These assets are used in the Group's offshore drilling segment. The carrying amounts of the assets were reduced to the recoverable amounts based on the value-in-use amounts over the remaining life of the drilling rig and the accommodation rig (upon completion of the conversion) and discounted to present value at a rate of 13.5% (2011 - 13.5%).

The review led to recognition of an impairment loss of US\$55.79 million on the drilling rig, that has been recognised in the profit or loss owing to the negative global economy arising from European debt crisis and credit rating downgrades for major countries.

In the previous financial year, an impairment loss of US\$22.68 million had been provided for certain equipment relating to the semi-submersible, which is no longer required for the intended use.

During the year, the Group had made a final settlement with one of these equipment suppliers and a reversal of impairment of US\$1.38 million was recognised in the profit and loss.

The key assumptions used for the value-in-use amounts are those regarding the discount rates, growth rates and expected changes to charter prices and direct costs during the period. The growth rate is based on industry growth forecasts. Changes in charter prices and direct costs are based on past experience and expectation of future changes in the market.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 March 2012

4 Plant and equipment (cont'd)

The drilling rig, which has a total net book value of US\$397.67 million (2011 - US\$471.05 million), has been mortgaged to the financial institutions as security for borrowings (Note 14).

The semi-submersible included in construction-in-progress with a net book value of US\$50.05 million (2011 - US\$56.72 million) has been pledged to a subsidiary.

5 Rig newbuildings

	Group	
	2012 US\$'000	2011 US\$'000
At beginning of the year	36,365	-
Reclassification from plant and equipment (Note 4)	-	36,365
Additions	38,269	-
	74,634	36,365

Included in the rig newbuildings are 2 jack-up rigs (2011 - 1 jack-up rig) under construction.

Additions during the year relate to deposits paid to Keppel FELS Ltd and expenses directly attributable to the acquisition/construction of the jack-up rigs. Such expenses include those related to contract entry as well as supervising of the progress of the construction of the jack-up rigs, which amounts to US\$2.21 million (2011 - US\$0.71 million) and which were capitalised during the financial year.

In the previous financial year, the jack-up rig "Jasper Adventurer", with a carrying cost then of US\$36.37 million was part of a security package provided to a bank for a loan [Note 14(c)(ii)]. During the year, the loan was repaid and the security discharged.

Borrowing costs of US\$62,000 (2011 - US\$202,000) which arose mainly due to financing for the construction of jack-up rig were capitalised during the financial year.

During the year, the Group carried out a review of the recoverable amount of the jack-up rigs. These assets are to be used in the Group's offshore drilling segment. The carrying amounts of the assets were reduced to the recoverable amounts based on its fair value less cost to sell. Based on the review, no impairment is required.

6 Investments

	Group and Company	
	2012 US\$'000	2011 US\$'000
Club membership, at cost	116	116
Allowance for impairment of club membership	(80)	(80)
	36	36

7 Subsidiaries

	Company	
	2012 US\$'000	2011 US\$'000
Unquoted shares, at cost	*	*
Amount owing by subsidiaries - long-term loan	304,862	301,067
Less: Allowance for impairment		
Opening balance	158,490	100,000
Movement for the year	30,000	58,490
Ending balance	188,490	158,490
	116,372	142,577

* Less than US\$1,000.

Amount owing by subsidiaries - long-term loan		
- unsecured loan	116,372	142,577

During the year, an impairment charge of US\$30 million (2011 - US\$58.49 million) has been recognised in the profit and loss for the Company's unsecured loan of US\$304.86 million (2011 - US\$301.07 million) to a fellow subsidiary, as management has determined that the recoverable amount is lower than the carrying value of the unsecured loan to subsidiaries. The recoverable amount is based on the value-in-use computations of the drilling rig and the accommodation rig (upon completion of its conversion) (Note 4).

Included in unsecured loans of US\$116.37 million (2011 - US\$142.58 million) are quasi-equity loans of US\$116.37 million (2011 - US\$142.58 million) which represent an extension of the Company's net investment in the subsidiary. There are no fixed terms of repayment for these loans as the settlement is neither planned nor likely to be settled in the foreseeable future.

The subsidiaries are as follows:

Name	Country of incorporation	Effective percentage of equity held		Principal activities
		2012 %	2011 %	
<u>Held by the Company</u>				
* Turquoise Offshore Pte Ltd	Singapore	100.00	100.00	Investment holding
* Jasper Adventurer Pte Ltd (formerly known as Jasper JU1 Pte Ltd)	Singapore	100.00	100.00	Owner of drilling rig
* Jasper Beacon Pte Ltd (formerly known as Jasper JU2 Pte Ltd)	Singapore	100.00	100.00	Owner of drilling rig
** JIL Ltd	British Virgin Islands	100.00	100.00	Investment holding
*** Amethyst Capital Ltd	Mauritius	90.00	90.00	Investment holding, treasury and finance
<u>Held by the Company's subsidiaries</u>				
*** Jasper Offshore (Cyprus) Ltd	Cyprus	98.11	98.11	Investment holding
* Neptune Marine & Drilling Pte Ltd	Singapore	98.11	98.11	Offshore drilling services
* Jasper Finder Pte Ltd	Singapore	98.11	98.11	Owner of drilling rig
* Jasper Explorer Pte Ltd	Singapore	98.11	98.11	Owner of drilling rig
* Jasper Drilling Pte Ltd	Singapore	98.11	98.11	Offshore drilling services
*** Jasper Explorer Plc (formerly known as Jasper Explorer Ltd)	Cyprus	98.11	98.11	Investment holding

* Audited by Foo Kon Tan Grant Thornton LLP.

** Not required to be audited under the laws of the country of its incorporation.

*** Audited by member firm of Grant Thornton International Limited.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 March 2012

8 Inventory

	Group	
	2012 US\$'000	2011 US\$'000
Critical spare parts and consumables, at cost	7,715	5,643

9 Trade and other receivables

	Group		Company	
	2012 US\$'000	2011 US\$'000	2012 US\$'000	2011 US\$'000
Trade receivables	9,349	24	-	-
Amount due from subsidiaries – non-trade	-	-	331,474	290,610
Deposits	869	569	87	74
Prepayments	1,785	404	70	6
Sundry debtors	145	261	109	100
Tax recoverable	-	24	-	-
	12,148	1,282	331,740	290,790
Allowance for impairment - sundry debtors	(92)	(92)	(92)	(92)
	12,056	1,190	331,648	290,698

Group and Company

The carrying amount of trade and other receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	Group		Company	
	2012 US\$'000	2011 US\$'000	2012 US\$'000	2011 US\$'000
<u>Amount due from subsidiaries – non-trade</u>				
Balance at beginning of financial year	-	-	-	4,639
Currency translation difference	-	-	-	-
Allowance written off	-	-	-	(4,639)
Balance at end of financial year	-	-	-	-
<u>Sundry debtors</u>				
Balance at beginning of financial year	92	74	92	74
Currency translation difference	-	18	-	18
Balance at end of financial year	92	92	92	92

9 Trade and other receivables (cont'd)

Group and Company (cont'd)

The ageing analysis of trade receivables past due but not impaired is as follows:

	Group		Company	
	2012 US\$'000	2011 US\$'000	2012 US\$'000	2011 US\$'000
Past due 0 to 3 months	7,177	-	-	-
Past due 3 to 6 months	-	-	-	-
Past due over 6 months	2,172	24	-	-
	9,349	24	-	-

Further details of credit risks on trade and other receivables are disclosed in Note 27.

Company

The non-trade amounts due from subsidiaries, representing advances are unsecured, interest free and have no fixed term of repayment.

10 Available-for-sale financial assets

	Group	
	2012 US\$'000	2011 US\$'000
Quoted equity shares:		
Balance at beginning	12,544	-
Additions during the year	-	31,931
Disposed of during the year	(9,159)	(22,772)
Fair value adjustments in fair value reserves (Note 13)	(3,385)	3,385
Balance at end	-	12,544

This relates to quoted equity investment listed on the New York Stock Exchange ("NYSE"). The fair value of the quoted equity investment is determined by reference to the bid prices of the stock exchange where the quoted equity shares are traded.

In the previous financial year, quoted equity investments of US\$12.54 million had been pledged for bank borrowings (Note 14(c)(ii)). During the financial year, the investment had been disposed of and the proceeds were used to repay the bank borrowings. The security relating to the borrowings had been discharged.

11 Cash and bank balances

	Group		Company	
	2012 US\$'000	2011 US\$'000	2012 US\$'000	2011 US\$'000
Fixed deposits	-	1,106	-	717
Cash and bank balances	20,286	28,081	515	27,646
	20,286	29,187	515	28,363
Fixed deposits pledged to bank	-	(250)	-	-
Current account pledged to bank	-	(93)	-	(93)
Cash and cash equivalents	20,286	28,844	515	28,270

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 March 2012

11 Cash and bank balances (cont'd)

In the previous financial year, certain fixed deposits of the Group had been pledged to secure letters of guarantee provided by a bank to other parties. The effective interest earned on fixed deposit was 0.40% (2011 - 0.39%) per annum.

In the previous financial year, a bank account was pledged for a bank borrowing (Note 14(c)(ii)). The borrowing had been repaid during the year, and the pledge had been discharged.

The unpledged fixed deposits mature on varying dates within three months from the end of the reporting period. The effective rates as at end of the reporting period for United States Dollar and Singapore Dollar were Nil (2011 - 0.157%) and 0.1% (2011 - 0.163%) respectively.

12 Share capital

	2012	2011	2012	2011
	Number of ordinary shares		US\$'000	US\$'000
Group and Company				
Issued and paid up, with no par value				
Balance at beginning	3,931,196,879	1,846,682,160	573,467	368,745
Issue of ordinary shares (a)	32,423,765	17,479,000	2,008	1,176
Issue of ordinary shares (b)	122,069,322	120,715,156	9,018	8,914
Issue of ordinary shares (c)	-	1,946,320,563	-	194,632
Issue of ordinary shares (d)	43,103,000	-	1,925	-
Balance at end	4,128,792,966	3,931,196,879	586,418	573,467

- (a) During the financial year, the Company issued and allotted 32,423,765 (2011 - 17,479,000) new shares pursuant to the Company's Share Incentive Plan to directors and employees of the Group. Particulars of the Share Incentive Plan have been set out in the Directors' Report for the financial year ended 31 March 2012.
- (b) In the same financial year, the Company issued and allotted 122,069,322 (2011 - 120,715,156) new shares at an issue price of S\$0.096 (2011 - S\$0.096) to Hygrove Investments Limited. The proceeds raised were used to partially pay for the construction of a new jack-up rig.
- (c) In the previous financial year, the Company issued and allotted 1,946,320,563 new shares at an issue price of S\$0.13 to Morton Bay (Holdings) Pte Ltd, the controlling shareholder of the Company pursuant to the capitalisation of shareholder loans.
- (d) In December 2011, the Company issued and allotted 43,103,000 new shares at an issue price of S\$0.058 to DMG & Partners Securities Pte Ltd. The net proceeds raised were used to fund working capital for the Group and its subsidiaries.

The newly issued shares rank pari passu in all respects with existing issued shares.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry similar voting rights.

Share-based compensation

Share Options

The Share Option Plan, which was approved by the shareholders of the Company in July 2009, is administered by the Remuneration Committee.

Options are exercisable at a price based on the average of the last done prices for the shares of the Company on the Singapore Exchange Security Trading Limited for the three market days preceding the date of grant. The Committee may at its discretion fix the exercise price at a discount not exceeding 20% to the above price.

12 Share capital (cont'd)

Share-based compensation (cont'd)

Share Options (cont'd)

Options granted shall be exercised on or after the first anniversary of the date of grant of these options but before the tenth anniversary of the date of grant of that option, except for options granted to a participant not holding a salaried office or employment in the Group in which case the expiry date is before the fifth anniversary of the date of the grant of that option. Options granted will lapse when the option holder ceases to be a full-time employee of the Company or any company of the Group subject to certain exceptions at the discretion of the Company.

Details of the options outstanding during the year are as follows:

	2012	2011
	Number of options	
Group and Company		
Outstanding at the beginning of financial year	17,000,000	20,000,000
Granted during the financial year	-	8,000,000
Lapsed/cancelled	(7,000,000)	(11,000,000)
Outstanding at end of financial year	10,000,000	17,000,000

The weighted average fair value of options granted during the year was S\$Nil (2011 - S\$0.02709). At the date of grant of these options, the weighted average share prices of the Company were S\$Nil (2011 - S\$0.0969). The range of exercise prices outstanding at the end of the reporting period was S\$0.13 (2011 - S\$0.13). The weighted average remaining contractual life for these options is 2.7 years (2011 - 3.7 to 5.6 years).

These fair values are determined using the Binomial pricing model. The significant inputs into the models are as follows:

	2012	2011
Date of grant	-	2.11.2010
Prevailing share price at grant	-	S\$0.075
Exercise price	-	S\$0.13
Expected volatility	-	65%
Expected life	-	6 years
Risk free rate	-	0.60%
Expected dividend yield	-	Nil

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The volatility is determined by calculating the historical share price of the Company over the previous 12 months.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 March 2012

13 Other reserves

	Group		Company	
	2012 US\$'000	2011 US\$'000	2012 US\$'000	2011 US\$'000
(a) Exchange translation reserve				
Balance at beginning	1,266	907	-	-
Transfer from retained profits	-	359	-	-
Balance at end	1,266	1,266	-	-
(b) Option reserve (Note 12)				
Balance at beginning	300	144	300	144
Movement during the year	35	156	35	156
Balance at end	335	300	335	300
(c) Other reserves				
Balance at beginning and at end	2,982	2,982	-	-
(d) Fair value reserve				
Balance at beginning	3,385	-	-	-
Movement during the year (Note 10)	(3,385)	3,385	-	-
Balance at end	-	3,385	-	-
(e) Capital reserve				
Balance at beginning	91	-	-	-
Movement during the year	-	91	-	-
Balance at end	91	91	-	-
Total other reserves	4,674	8,024	335	300

- (a) Exchange translation reserve arises from the translation of foreign subsidiaries' financial statements.
- (b) Option reserve arises from options that were issued on 18 November 2009. The Company has adopted the Binomial pricing model to value the options. The options were valued at approximately US\$320,000. Details of the options are set out in Note 12.
- (c) These reserves are not available for distribution as dividends. Other reserves principally represent reserves of subsidiaries which were capitalised as bonus issues in previous years.
- (d) Fair value reserve represents fair value adjustment on available-for-sale financial assets.
- (e) Capital reserve included a gain on acquisition of additional shares in subsidiary from non-controlling interests of US\$297,000 and dilution of non-controlling interests of US\$206,000 in the previous financial year.

14 Borrowings

	Group		Company	
	2012 US\$'000	2011 US\$'000	2012 US\$'000	2011 US\$'000
Non-Current Liabilities				
Senior bonds - secured (a)	161,352	-	-	-
	161,352	-	-	-
Analysed as follows:				
Due later than one year and not later than five years	161,352	-	-	-
Due later than five years	-	-	-	-
	161,352	-	-	-
Current Liabilities				
Senior notes - secured (b)	-	74,000	-	-
Term loans - secured (c)	-	50,585	-	5,585
Short term loans - secured (d)	-	411	-	-
	-	124,996	-	5,585

(a) Senior Bonds - secured

US\$165,000,000 Senior Secured Bonds due 27 May 2016

In May 2011, the Group issued US\$165 million Senior Secured Bonds with a coupon rate of 13.5% at par value.

The Senior Secured Bonds ("Senior Bonds") are secured, *inter alia* by:-

- first priority mortgage over the drilling rig
- an assignment of insurances
- pledge of shares of certain subsidiaries
- an assignment of drilling contracts with duration of more than twelve months
- corporate guarantees from certain subsidiaries

The Senior Bonds are subject to financial covenants which include:-

- (i) maintenance of 1st interest payment amount to be set aside in escrow account; and
- (ii) maintenance of a minimum liquidity of at least US\$10 million.

In addition to the above financial covenants, there are other covenants typical for bonds of this nature which the Group has to observe. The amount of secured borrowings is shown net of transaction costs which will be amortised over the term of the Senior Bonds.

The Group may redeem the entire Senior Bonds (all or nothing) from May 2013 to May 2016 at various redemption prices stipulated in the terms of Senior Bonds. The redemption price depends on the date of redemption, the aggregate principal amount of the Senior Bonds, the applicable premium plus accrued and unpaid interest. If the immediate holding company experiences specific change of control events, the holders of the Senior Bonds will have the right to call for redemption immediately.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 March 2012

14 Borrowings (cont'd)

During the financial year, the following secured borrowings had been fully repaid and the security relating to the borrowings had been discharged:-

(b) Senior Notes - secured

The Senior Notes share a security package comprising, *inter alia*, the following:-

- a first priority mortgage over the Group's drilling rig;
- an assignment of insurances;
- corporate guarantees from certain subsidiaries; and
- pledge of the shares of certain subsidiaries.

on a second ranking basis behind an existing bank loan (Note (c)(i)).

(c) Term loans - secured

- (i) The term loan of US\$45 million was due to a bank sharing a security package with the Senior Notes, on a first ranking basis.

In addition to the shared security package, the term loan had a corporate guarantee from the Company.

Interest rate was determined and fixed monthly. The effective interest rate was 4.28% (2011 - 4.21%) per annum.

- (ii) an amount of US\$5.6 million due to a bank secured, *inter alia* by :

- a first fixed charge over available-for-sale financial assets;
- a pledge on the shares of a subsidiary;
- a first fixed charge on the account maintained with the lender;
- a fixed and floating charge on all assets of a subsidiary.

(d) Short term loans - secured

This relates to trust receipts facility provided by a bank sharing a security package with the Senior Notes. The weighted average effective interest rate is 5.75% (2011 – 5.03%) per annum.

The contractual maturities of the financial liabilities, including interest payments and excluding the impact of netting agreements is disclosed in Note 27.

15 Trade and other payables

	Group		Company	
	2012 US\$'000	2011 US\$'000	2012 US\$'000	2011 US\$'000
Trade payables				
Subsidiary	-	-	15,115	2,122
Third parties	13,908	5,213	48	188
Net trade payables	13,908	5,213	15,163	2,310
Advances received	221	1,146	-	-
Accrued expenses	11,926	14,574	81	126
Other payable	129	9,977	-	-
Withholding tax - staff	-	2,508	-	-
Sundry creditors	225	295	224	281
	26,409	33,713	15,468	2,717

Trade payables balances are normally on 30 days credit terms.

16 Other income

	Group	
	2012 US\$'000	2011 US\$'000 (Restated)
Gain on disposal of available-for-sale financial assets	4,034	16,120
Gain on disposal of subsidiary	-	5,152
Gain on disposal of associate and joint venture	-	1,410
Interest income	13	25
Write-back of payables	6,031	-
Miscellaneous income	-	53
	10,078	22,760

Write-back of payables during the year mainly relates to the followings: -

- (a) Certain social contributions of US\$4.1 million of which the Group has been discharged of its payment obligation due to the cessation of its drilling contract and operations.
- (b) The Group had reached a settlement with certain suppliers, resulting in accrual costs of US\$1.9 million being written back to profit and loss.

17 Other expenses

	Group	
	2012 US\$'000	2011 US\$'000 (Restated)
Foreign exchange loss	(182)	(1,023)
Fees for early redemption of bonds	(1,244)	-
Fees for termination of an equipment supply contract	(1,383)	-
Write-back of impairment of plant and equipment	1,383	-
Loss on disposal of plant and equipment	(938)	(3,565)
Amortisation of discount on bond	(500)	(1,000)
Bond transaction charges	(976)	(1,000)
Others	(81)	(464)
	(3,921)	(7,052)

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 March 2012

18 Staff costs

	Group	
	2012 US\$'000	2011 US\$'000
Directors' remuneration (key management personnel)		
- Directors of the Company		
- salaries and related costs	1,943	1,391
- CPF contributions	5	4
- Directors of subsidiaries		
- salaries and related costs	1,538	1,026
- CPF contributions	22	9
Staff costs (excluding directors' remuneration):		
- salaries and related costs	9,843	7,646
- CPF contributions	122	152
	13,473	10,228
The staff costs are charged to the following:		
Included in administrative expenses	3,507	5,702
Included in cost of sales	7,817	4,133
Capitalised under rig newbuildings	2,149	393
	13,473	10,228

19 Loss before taxation

	Note	Group	
		2012 US\$'000	2011 US\$'000
Loss before taxation is stated after charging:			
Depreciation of plant and equipment	4	15,779	292
Directors' fees		218	265
Auditor fees			
- auditors of the Company and the Group		151	110
- other auditors		38	27

20 Taxation

	Group	
	2012 US\$'000	2011 US\$'000
Current taxation	-	142
Over provision of taxation in respect of prior years	(6,173)	(236)
	(6,173)	(94)

20 Taxation (cont'd)

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on Group's loss as a result of the following:

	Group	
	2012 US\$'000	2011 US\$'000
Loss before taxation	(95,099)	(47,614)
Tax at statutory rate of 17% (2011 - 17%)	(16,167)	(8,094)
Tax effect on non-deductible expenses	23,712	109,368
Tax effect on non-taxable income	(6,157)	(101,464)
Deferred tax assets on temporary differences not recognised	-	1,384
Differences in foreign tax rates	(1,388)	(1,052)
	-	142

The Group has unutilised tax losses amounting to approximately US\$6.46 million (2011 - US\$6.50 million) respectively which are subject to agreement with the respective tax authorities.

The unutilised tax losses of the Company and its Singapore incorporated subsidiaries can be carried forward for offsetting against future taxable income provided the provisions of Sections 23 and 37 of the Singapore Income Tax Act, Cap. 134 are complied with.

Unutilised tax benefits of US\$1.10 million (2011 - US\$1.11 million) have not been recognised as the realisation in the future is uncertain.

During the year, the Group had finalised its tax obligation at 34% of net operating income under the Venezuela tax regime for its past drilling operations in Venezuela. The Group received a tax credit of US\$6.18 million which was the difference between withholding tax paid upfront to the tax authority at 30.6% on its gross revenue and its tax position at 34% on the net operating income.

The Group had sold this tax credit of US\$6.18 million during the financial year.

21 Loss per share

Group

Basic loss per share is calculated by dividing the net loss after taxation and non-controlling interests for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share is calculated by dividing the net loss after taxation and non-controlling interests attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding and weighted average number of dilutive options during the year.

The following reflects the loss and data on issued shares used in the basic and diluted loss per share computations for the respective financial years ended 31 March:

	2012 US Cents	2011 US Cents
Basic loss per share	(2.157)	(2.021)
Diluted loss per share	(2.157)	(2.021)

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 March 2012

21 Loss per share (cont'd)

Group (cont'd)

The calculation of loss per share attributable to ordinary equity holders of the Company is based on the following:

	2012 US\$'000	2011 US\$'000
Net loss attributable to ordinary shareholders of the Company	(87,235)	(39,351)

Number of shares used for the calculation of loss per share is as follows:

	No. (in thousands)	No. (in thousands)
Weighted average number of ordinary shares for purposes of diluted loss per share	4,043,791	1,947,293

In the current year, 10,000,000 options (2011 – 11,000,000 options) granted to employees under the Share Option Plan have not been included in the calculation of diluted loss per share because they are anti-dilutive.

22 Related party transactions

Group

In addition to the related party information disclosed elsewhere in the financial statements, the following are significant transactions with related parties at mutually agreed amounts:

	2012 US\$'000	2011 US\$'000
Interest and incidental expenses on loans from parent company	-	406
Short-term benefit costs to key management personnel (directors)	3,508	2,430

23 Capital commitments

As at end of the reporting period, the Group had the following capital commitments in respect of plant and equipment, and inventories:

	Group	
	2012 US\$'000	2011 US\$'000
Expenditure authorised and not contracted for the overhauls and scheduled major maintenance projects	7,351	-
Expenditure authorised but not contracted for the purchase of inventories and equipment	357	427
Expenditure authorised and contracted for the construction of jack-up rigs, classified under construction-in-progress	289,458	142,630
Expenditure authorised and contracted for the conversion of semi-submersible to accommodation rig	74,188	-

24 Operating lease commitments (non-cancellable)

Operating lease commitments (as lessee)

As at end of the reporting period, the Group was committed to making the following payments under non-cancellable operating leases with a term of more than one year as follows:

	Group	
	2012 US\$'000	2011 US\$'000
Not later than one year	421	1,311
Later than one year and not later than five years	24	572

The leases on the Group's office premises on which rentals are payable will expire on 31 July 2012 and the current rent payable on the leases are US\$60,803 per month and are subject to revision on renewal or yearly revision.

The lease on the photocopiers on which rental are payable will expire earliest in January 2014 and latest in February 2016, subject to renewal. The current rent payable on the lease is approximately US\$182 to US\$293 per month, which is subject to revision on renewal.

25 Contingent liabilities

	Group		Company	
	2012 US\$'000	2011 US\$'000	2012 US\$'000	2011 US\$'000
Corporate guarantees, unsecured	-	250	-	45,694

In the previous financial year, the Company had given a guarantee to a bank for its subsidiary's banking facilities (Note 14).

Dispute with customer

In the previous financial year, a customer filed an arbitration claim against a subsidiary of the Group. The subsidiary has counterclaimed against this customer. Representative from both parties have met and efforts were made to reach a reconciliation. The arbitration proceedings have not commenced. No additional amount of potential legal claims had been provided for in the profit or loss during the financial year as based on progresses made, both parties are more likely than not to reach an amicable commercial settlement.

Dispute with suppliers

During the year, there are disputes with certain suppliers by a subsidiary of the Group, in respect of claims relating to the services provided. As of the date of the report, the Group was unable to determine the probable outcome as the extent of the claims is not definite.

26 Operating segments

Segment information is provided as follows:

By business

Principal activities

Offshore drilling Drilling rigs owner and operator, provision of management services for the management of rigs.

Corporate Investment holding, management and other corporate assets.

Segment accounting policies are the same as the policies described in Note 2. The Company generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices.

Revenues are attributed to geographic areas based on the location of the assets producing the revenues.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 March 2012

26 Operating segments (cont'd)

Business segments

The following tables present revenue and profit information regarding industry segments for the years ended 31 March 2012 and 2011, and certain assets and liabilities information regarding industry segments as at 31 March 2012 and 2011.

	Offshore Drilling		Corporate		Adjustments/ (Elimination)		Total continuing operations	
	2012 US\$'000	2011 US\$'000	2012 US\$'000	2011 US\$'000	2012 US\$'000	2011 US\$'000	2012 US\$'000	2011 US\$'000
Segment revenue								
Sales to external customers	26,163	515	-	-	-	-	26,163	515
Total revenue	26,163	515	-	-	-	-	26,163	515
Segment result	(74,700)	(51,741)	495	13,674	-	-	(74,205)	(38,067)
Finance income	9	4	4	127,119	-	(127,098)	13	25
Finance costs	(20,907)	(74,333)	-	(62,337)	-	127,098	(20,907)	(9,572)
Loss before tax							(95,099)	(47,614)
Taxation							6,173	94
							(88,926)	(47,520)
Non-controlling interests, net of tax							1,691	8,169
Net loss for the year							(87,235)	(39,351)
Segment assets	558,075	571,703	4,464	41,219	-	-	562,539	612,922
Total assets	558,075	571,703	4,464	41,219	-	-	562,539	612,922
Segment liabilities	187,389	152,517	372	6,192	-	-	187,761	158,709
Taxation liabilities	-	-	41	151	-	-	41	151
Total liabilities	187,389	152,517	413	6,343	-	-	187,802	158,860
Other segment information:								
Capital expenditures	38,599	53,085	1	5	-	-	38,600	53,090
Depreciation of plant and equipment	15,720	208	59	84	-	-	15,779	292
Loss on disposal of plant and equipment	938	2,650	-	-	-	-	938	2,650
Impairment of plant and equipment	55,794	22,678	-	-	-	-	55,794	22,678

26 Operating Segments (cont'd)

Geographical segments

The following table for the years ended 31 March 2012 and 2011 presents segment revenue and segment assets based on the geographical location of the drilling operations.

	Asia		South America		Africa		Consolidated	
	2012 US\$'000	2011 US\$'000	2012 US\$'000	2011 US\$'000	2012 US\$'000	2011 US\$'000	2012 US\$'000	2011 US\$'000
Segment Revenue								
Sales to external customers	-	-	-	515	26,163	-	26,163	515
Total revenue	-	-	-	515	26,163	-	26,163	515
Other geographical information:								
Segment assets	79,188	65,008	-	547,914	483,351	-	562,539	612,922
Capital expenditures	38,310	36,369	-	16,721	290	-	38,600	53,090

Revenue of US\$26.16 million (2011 - US\$515,000) was derived from a single external customer. This revenue was attributable to the offshore drilling segment. Upon completion of the drilling contract, the drilling rig is in Algeciras, Spain for replacement of a propeller shaft seal and bearing.

27 Financial risk management objectives and policies

The Group reviews its risk profile on a transactional basis. The Group does not hold or issue derivative financial instruments for trading purposes but may be a party to derivative financial instruments such as interest rate swaps and forward exchange contracts to hedge against fluctuations, if any, in interest rates or foreign exchange rates.

The Group's and the Company's exposure to financial risks associated with financial instruments held in the ordinary course of business include:

(a) Market risk

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

In addition to transactional exposures, the Group is also exposed to foreign exchange movements on its net investment in foreign subsidiaries. The Group does not hedge against translation exposures.

The Company's operational activities are carried out in United States Dollar, which is the functional currency. The currency giving rise to this foreign currency risk is primarily the Singapore Dollar and Euro Dollar.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 March 2012

27 Financial risk management objectives and policies (cont'd)

Currency risk (cont'd)

The following table entails the Group's exposure at the end of the reporting period to currency risk arising from financial assets and liabilities denominated in a currency other than the functional currency of the entity to which they relate:

	31 March 2012				
	Euro Dollar US\$'000	Singapore Dollar US\$'000	Great Britain Pound US\$'000	Norwegian Kroner US\$'000	Venezuelan Bolivar Fuerte US\$'000
Trade and other receivables	2,173	362	76	-	-
Cash and bank balances	-	1,548	-	-	4,217
Trade and other payables	(5,726)	(3,066)	(65)	(65)	-
	(3,553)	(1,156)	11	(65)	4,217

	31 March 2011				
	Euro Dollar US\$'000	Singapore Dollar US\$'000	Great Britain Pound US\$'000	Norwegian Kroner US\$'000	Venezuelan Bolivar Fuerte US\$'000
Trade and other receivables	-	366	52	75	-
Cash and bank balances	3	1,422	-	-	-
Trade and other payables	(9,739)	(2,838)	(2)	(540)	-
	(9,736)	(1,050)	50	(465)	-

Sensitivity analysis

A 5% (2011 - 5%) strengthening of United States Dollar against the following currencies at the end of reporting period would increase/(decrease) the consolidated loss before tax as shown below:

	Consolidated Income Statement	
	2012 US\$'000	2011 US\$'000
Euro Dollar	(178)	(487)
Singapore Dollar	(58)	(53)
Great Britain Pound	1	3
Norwegian Kroner	(3)	(23)
Venezuelan Bolivar Fuerte	211	-

A 5% (2011 - 5%) weakening of the United States Dollar against the above currencies at 31 March would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's exposure to the change in interest rates relates primarily to interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the impact of short-term fluctuation in the Group's earnings.

27 Financial risk management objectives and policies (cont'd)

Cash flow and fair value interest rate risk (cont'd)

As at the end of reporting period, the interest rate profile of the Group's interest-bearing financial instruments are as follows:

	2012 US\$'000	2011 US\$'000
Variable rate instruments		
Financial liabilities	161,352	124,996

Sensitivity analysis

A 1% point increase in interest rate would increase the Group's loss before tax by approximately US\$1.61 million (2011 - US\$1.25 million).

On the other hand, a 1% point decrease in interest rate, with all other variables including tax rate being held constant, would have had the equal opposite effect on the amount shown above, on the basis that all other variables remain constant.

The following summarises the methods and assumptions used in estimating the fair value of financial instruments of the Group:

Floating interest-bearing borrowings

The Group believes that the carrying amounts of floating interest-bearing borrowings, which are re-priced at intervals of one to three months, reflect the corresponding fair value.

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including cash and cash equivalents, trade and other receivables and trade and other payables) are assumed to approximate their fair value because of the short period to maturity.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The Group is exposed to equity securities price risk arising from the investments held by the Group which are classified on the consolidated statement of financial position as available-for-sale. These securities are listed in United States. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

If prices for equity securities listed in United States change by 5% with all other variables including tax rate being held constant, the effects on profit after tax and other comprehensive income would have been:

	Increase/(Decrease)			
	2012		2011	
	Profit after tax US\$'000	Other comprehensive income US\$'000	Profit after tax US\$'000	Other comprehensive income US\$'000
Group				
Listed in United States				
- increased by	-	-	627	627
- decreased by	-	-	(627)	(627)

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 March 2012

27 Financial risk management objectives and policies (cont'd)

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, cash and bank balances, the Group and the Company minimises credit risk by dealing with reputable financial institutions.

For trade and other receivables, the Group performs periodic credit evaluations of its customers' financial condition but generally does not require collateral. Careful consideration is given to the reputation and trustworthiness of potential clients before the Group tenders for a project and enters into a contract.

The Group believes that its credit risk in trade and other receivables is mitigated substantially by its credit evaluation process, credit policies, and credit control and collection procedures.

The Group establishes an allowance for impairment that represents its estimates of incurred losses in respect of trade and other receivables. The collective loss allowance is determined based on historical data of payment statistic for similar financial assets.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring its trade receivable on an on-going basis. The Group has a significant concentration of credit risk as a major client accounted for 76.8% (2011 – Nil) of the total outstanding trade receivable as at the end of the reporting period. This trade receivable of US\$7.2 million, which was due in early April 2012 consist of undisputed invoices for work that had been certified by the client.

(c) Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	31 March 2012			
	Carrying amount US\$'000	Contractual cash flows US\$'000	Less than 1 year US\$'000	Between 2-5 years US\$'000
Non-derivative financial liabilities				
Interest-bearing borrowings (Note 14)	(161,352)	(257,579)	(22,275)	(235,304)
Trade and other payables (Note 15)	(26,409)	(26,409)	(26,409)	-
	(187,761)	(283,988)	(48,684)	(235,304)
	31 March 2011			
	Carrying amount US\$'000	Contractual cash flows US\$'000	Less than 1 year US\$'000	Between 2-5 years US\$'000
Non-derivative financial liabilities				
Interest-bearing liabilities (Note 14)	(124,996)	(129,266)	(129,266)	-
Trade and other payables (Note 15)	(33,713)	(33,713)	(33,713)	-
	(158,709)	(162,979)	(162,979)	-

28 Financial instruments

Fair values

The carrying amount of financial assets and liabilities with a maturity of less than one year is assumed to approximate their fair values.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
As 31 March 2012				
<u>Assets</u>				
Financial assets, available-for-sale	-	-	-	-
As 31 March 2011				
<u>Assets</u>				
Financial assets, available-for-sale	12,544	-	-	12,544

The fair value of financial instruments traded in active markets is based on quoted market prices at reporting period. The quoted market price for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

29 Other information required by the Singapore Exchange Securities Trading Limited

No material contracts to which the Company or any related company is a party and which involve Directors' or controlling shareholders' interest subsisted at, or have been entered into since the end of the financial year.

30 Capital management

The Group's objectives when managing capital are:

- To safeguard the Group's ability to continue as a going concern;
- To support the Group's stability and growth; and
- To provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

Management monitors capital based on a net gearing ratio. The gearing ratio is calculated as net debt divided by shareholders returns. Net debt is calculated as borrowings less cash and cash equivalents.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 March 2012

30 Capital management (cont'd)

	2012 US\$'000	2011 US\$'000
Senior Bonds	161,352	-
Senior Notes	-	74,000
Term loans - secured	-	50,585
Short term loans - secured	-	411
Less: Cash and cash equivalents	(20,286)	(29,187)
Net debt	141,066	95,809
Shareholder's equity	375,797	453,431
Gearing ratio	0.4	0.2

There were no changes in the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements other than as disclosed.

31 Comparative figures

Certain comparative figures have been reclassified to conform with current year's management reporting structure/presentation.

	As restated 2011 US\$'000	As reported 2011 US\$'000
<u>Statement of financial position</u>		
Plant and equipment	527,957	564,322
Rig newbuildings	36,365	-
<u>Consolidated income statement</u>		
Interest income	-	25
Other income	22,760	22,735
Other expenses	(7,052)	(2,464)
Administrative expenses	(10,133)	(14,721)
	569,897	569,897

32 Events after balance sheet date

In May 2012, Jasper Adventurer Pte Ltd, a subsidiary of the Company entered into an agreement with a financial institution to provide a term loan of US\$25.5 million with a tenor of 18 months. The proceeds from the loan was used to partially repay advances provided by the Company for funding the construction of a new jack-up rig.

Subsequent to the end of the reporting period, Jasper Drilling Pte Ltd, a subsidiary of the Company, issued 450,000 ordinary shares for a total consideration of US\$450,000 to strengthen its balance sheet. The additional shares were fully subscribed by Jasper Explorer Plc. The newly issued shares rank pari passu in all respects with previously issued shares.

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Statistics of Shareholdings

As at 28 June 2012, the shareholdings of the Company are as follows:

SHARE CAPITAL

Number of shares	4,163,954,424
Class of shares	Ordinary
Voting Rights	1 vote per ordinary share

Note:

Subsequent to financial year end, the Company issued 35,161,458 ordinary shares on 8 June 2012 pursuant to the Company's Share Incentive Plan, thereby bringing the total share capital of the Company to 4,163,954,424 ordinary shares.

SUBSTANTIAL SHAREHOLDERS

(as shown in the Company's Register of Substantial Shareholders)

	No. of shares which Shareholders have an interest	
	Direct	Deemed
Morton Bay (Holdings) Pte Ltd	3,421,646,035	-
Ashmore Global Special Situations Fund 2 Limited	-	3,421,646,035
Ashmore Global Special Situations Fund 4 Limited Partnership	-	3,421,646,035
Asset Holder PCC No.2 Limited re Ashmore Asian Recovery Fund	-	3,421,646,035
Ashmore Investment Management Limited	-	3,421,646,035
Hygrove Investments Limited	242,784,478	-
Keppel Offshore & Marine Limited	-	242,784,478
Keppel Corporation Limited	-	242,784,478
Temasek Holdings (Private) Limited	-	242,784,478

Public Float

Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") requires that at least 10% of the equity securities (excluding preference shares and convertible equity securities) of a listed company in a class that is listed is at all times held by the public. The Company has complied with this requirement. As at 28 June 2012, approximately 10.66% of its shares listed on the SGX-ST were held in the hands of the public.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 999	8,081	48.63	2,868,038	0.07
1,000 – 10,000	5,994	36.07	23,600,854	0.57
10,001 – 1,000,000	2,497	15.02	170,899,110	4.10
1,000,001 and above	46	0.28	3,966,586,422	95.26
Total:	16,618	100.00	4,163,954,424	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	DBS Nominees Pte Ltd	3,426,036,394	82.28
2	Hygrove Investments Limited	242,784,478	5.83
3	Yeoh Seng Huat Geoffrey	58,496,073	1.40
4	Raffles Nominees Pte Ltd	41,362,093	0.99
5	Cyber Express Enterprises Limited	40,000,000	0.96
6	OCBC Securities Private Ltd	19,969,958	0.48
7	United Overseas Bank Nominees Pte Ltd	15,450,326	0.37
8	Yap Chin Kok	10,000,000	0.24
9	Phillip Securities Pte Ltd	9,437,448	0.23
10	Lee Mee Kium	8,494,427	0.20
11	HSBC (Singapore) Nominees Pte Ltd	7,769,240	0.19
12	Chew Suyin	7,598,000	0.18
13	Thomas Tan Keng Siong	6,642,000	0.16
14	Citibank Nominees S'pore Pte Ltd	5,305,408	0.13
15	Morgan Stanley Asia (S'pore) Securities Pte Ltd	4,959,000	0.12
16	DBS Vickers Securities (S) Pte Ltd	4,887,840	0.12
17	Cheng Yin Mui	4,875,080	0.12
18	OCBC Nominees Singapore Pte Ltd	3,532,819	0.08
19	Maybank Kim Eng Securities Pte Ltd	3,261,489	0.08
20	Lim Beak Leang	3,050,000	0.07
Total:		3,923,912,073	94.23

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 25th Annual General Meeting of the Company will be held at GV Vivocity 1 HarbourFront Walk #02-30 Vivocity Singapore 098585 on Monday, 30 July 2012 at 9.30 a.m. to transact the following business:

As Ordinary Business

1. To receive and adopt the Audited Financial Statements of the Company for the year ended 31 March 2012 together with the reports of the Directors and Auditors thereon.
2. To re-elect Mr Steven Simpson, a Director who retires by rotation pursuant to Article 91 of the Company's Articles of Association.
3. To re-elect Mr Jeffrey Saile, a Director who retires pursuant to Article 91 of the Company's Articles of Association.
4. To approve Directors' fees of S\$280,000 for the year ended 31 March 2012. (2012: S\$280,000)
5. To re-appoint Foo Kon Tan Grant Thornton LLP as Auditor and to authorise the Directors to fix their remuneration.
6. To transact any other ordinary business that may properly be transacted at an Annual General Meeting.

As Special Business

To consider and, if thought fit, passing with or without modifications the following ordinary resolutions:

7. ISSUE OF NEW SHARES

"That authority be and is hereby given to the Directors of the Company to:

- (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or
- (ii) 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; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution):
 - (i) by way of renounceable rights issues on a pro rata basis to shareholders of the Company ("Renounceable Rights Issues") does not exceed 100% of the total number of issued shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with paragraph (3) below); and
 - (ii) otherwise than by way of Renounceable Rights Issues ("Other Share Issues") does not exceed 50% of the total number of issued shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with paragraph (3) 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 20% of the total number of issued shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with paragraph (3) below);
- (2) the Renounceable Rights Issues and Other Share Issues shall not, in aggregate, exceed 100% of the total number of issued shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with paragraph (3) below);

- (3) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under paragraphs (1)(i) and (1)(ii) above, the total number of issued shares, excluding treasury shares, shall be based on the total number of issued shares, excluding treasury shares, in the capital of the Company at the time that this Resolution is passed, after adjusting for:
- (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares;
- (4) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") 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
- (5) (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, whichever is the earlier."
- 8. ISSUE AND ALLOTMENT OF SHARES PURSUANT TO THE JASPER SHARE OPTION PLAN AND JASPER SHARE INCENTIVE PLAN**

"That authority be and is hereby given to the Directors to issue and allot shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted or to be granted under the Jasper Share Option Plan and/ or the vesting of awards granted or to be granted under the Jasper Share Incentive Plan (collectively with the Jasper Share Option Plan, the "Plans") provided that the aggregate number of shares to be issued pursuant to the Plans does not, in aggregate, exceed 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time."

By order of the Board

Lee Mee Kium
Company Secretary
13 July 2012

Notes:

1. A member 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 stead. A proxy need not be a member of the Company.
2. An instrument appointing a proxy must be lodged at the registered office of the Company at 1 HarbourFront Place #03-01 HarbourFront Tower One Singapore 098633, not less than 48 hours before the time fixed for the Annual General Meeting.

Notice of Annual General Meeting (Cont'd)

Additional information relating to items of Ordinary and Special Business

- Item 2 Mr Steven Simpson is an Independent Director and Chairman of the Company. He is also Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees. He will upon re-election as a Director be considered independent for the purpose of Rule 704(8) of the Listing Manual Rules of the SGX-ST.*
- Item 3 Mr Jeffrey Saile is the non-executive Chairman of the Jasper Offshore Group. He is a member of the Remuneration Committee.*
- Item 7 This ordinary resolution empowers the Directors, from the date of this Annual General Meeting up to the date of the next Annual General Meeting, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding (i) 100% for Renounceable Rights Issues, and (ii) 50% for Other Share Issues of which up to 20% may be issued other than on a pro rata basis to shareholders, and provided that the total number of shares which may be issued pursuant to (i) and (ii) shall not exceed 100% of the issued shares, excluding treasury shares, in the capital of the Company. For determining the aggregate number of shares that may be issued, the total number of issued shares, excluding treasury shares, will be calculated based on the total number of issued shares, excluding treasury shares, in the capital of the Company at the time that this Resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that this Resolution is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares.*
- Item 8 This ordinary resolution is to authorise the issue of shares on the exercise of options granted under the Jasper Share Option Plan and the vesting of awards under the Jasper Executive Performance Plan not exceeding (for the entire duration of the Scheme and the Plan respectively) 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time. The Scheme and Plan will respectively expire on 30 July 2019 unless extended by the Company in general meeting.*

JASPER INVESTMENTS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No. 198700983H)

PROXY FORM – ANNUAL GENERAL MEETING

IMPORTANT:

- For investors who have used their CPF monies to buy Jasper Investments Limited shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
- 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.
- CPF investors who wish to attend the Annual General Meeting as observers must submit their requests through their CPF Approved Nominees within the time frame specified. If they wish to vote, they must submit their voting instructions to their CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We _____ (Name)

of _____ (Address)

being a member/members of JASPER INVESTMENTS LIMITED hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the 25th Annual General Meeting of the Company to be held on Monday, 30 July 2012, and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Resolution relating to:	To be used on a show of hands		To be used in the event of a poll	
		For*	Against*	No. of Votes For**	No. of Votes Against**
1.	Adoption of Reports and Financial Statements				
2.	Re-election of Mr Steven Simpson				
3.	Re-election of Mr Jeffrey Saile				
4.	Approval of Directors' Fees				
5.	Re-appointment of Auditor				
6.	Approval of Share Issue Mandate				
7.	Authority to issue shares under the Jasper Share Option Plan and Jasper Executive Performance Plan				

* Please indicate your vote "For" or "Against" with a tick (✓) in the box provided.

** If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2012.

Total number of Shares held

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

IMPORTANT : PLEASE READ NOTES OVERLEAF

Notes

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
3. Completion and return of this instrument appointing a proxy 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 Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Meeting.
4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), he should insert that number of shares. If the member has shares entered against his name in the Register of Members, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 1 HarbourFront Place #03-01 HarbourFront Tower One Singapore 098633 not less than 48 hours before the time set for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

General

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.



Investments Limited

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Company Registration No.: 198700983H