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# Our Story

Jasper Investments Limited is a company listed on the SGX-ST 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.

# Letter to Shareholders

## DEAR SHAREHOLDERS,

We are pleased to report a strong improvement in our top line performance for the financial year ended 31 March 2014 (FY14). Despite the successful deployment of Jasper Explorer during the past 12 months, the drilling market is under pressure and so we are careful to remain cost conscientious, prevent complacency in the safety work and remain mindful of the challenges of operating a single rig company. The turnaround is still ongoing.

After the year 2012 with repairs in Spain, we deployed Jasper Explorer, our mid-water DP drilling rig, to the Republic of Congo in April 2013 to drill two offshore wells under a contract with CNOOC Congo SA. The deployment was smooth and the Explorer achieved operational efficiency in the high 90% even with an incident early in the contract which required extensive repair to the rig's top drive drilling system. On the safety front, no lost time accident happened and we are proud to complete almost 5 years without lost time incidents at the end of the financial year. The Congo contract was completed to the satisfaction of CNOOC International and with a high operating efficiency comparable to that of many of our larger peers.

The revenue from the Jasper Explorer resulted in a gross profit of US\$16.4 million in FY14 compared to a gross loss of US\$53 million in the previous corresponding period. However, other income fell to US\$0.2 million from US\$64.3 million in FY13. The high income in the previous year resulted from the significant gains made from the sale of two jack-up rigs. Net loss attributable to equity holders of the Company for the financial year under review reduced to US\$33.5 million compared to US\$44.4 million the year before.

The strong operational performance during this year was much needed. We built an essential track record for efficiency, safety and equipment reliability that will allow us to actively market the drilling capability of the Jasper Explorer to oil and gas companies.

We will take delivery of the Jasper Cosmopolitan in second half of 2014 from the subsidiary of China Merchants Industry Holding Group who converted the semi-submersible hull into an accommodation vessel, or "floatel". The yard safety record has been excellent and the conversion has been undertaken within budget for the full scope of the specified conversion. The Jasper Cosmopolitan is now a moored 500-man accommodation and construction support rig with a quality similar to a new built floatel.

It has several features that we are particularly proud of. One such feature is a telescopic gangway which allows the vessel to stay connected to the production platform of the oil company client even in severe weather conditions, and allowing safe passage of personnel at all times. The new cranes on board enable equipment handling between the accommodation vessel and the production platform.

Jasper has been responsible for the basic design, approval and hull re-classification. The existing hull, diesel engines and windlasses have all been re-furbished and the rest of

the vessel is all new. The vessel complies with the latest rules and regulations for Mobile Offshore Units and Flag State under Singapore's flag. We are currently negotiating with several potential buyers for the vessel, as well as pursuing bareboat charters.


The outlook for the current financial year is quite difficult given the oversupply in the market for drilling rigs as new rigs are delivered from the yards at a time when oil companies are exercising greater capital discipline and relentlessly reducing spending on offshore exploration. The day rates are under pressure and spreads will widen between older and newer drilling rigs. Against this backdrop, Management will continue to be vigilant about cost management.

The longer-term fundamentals for the drilling industry are forecast to be more favourable. The rising affluence of Asia, the recovering economies of Europe and the USA, should see an increase in demand for energy, which will continue to drive capital expenditure back into exploration in the coming years as existing production capacity continue to decline.

We are also pleased to announce that we have amicably settled the legal dispute with AGR Well Management Limited over day rates due under the drilling contract with AGR during the autumn of 2011. In May 2014, the three parties to the dispute agreed to discontinue and withdraw all claims and counterclaims against one another. The Jasper Group has recorded a net impairment cost of US\$5.5 million and the settlement of the litigation is not expected to have a material impact on the Group's financial performance.

During the year under review, we continued to demonstrate our six core values, namely a firm focus on our people, teamwork, transparency, efficiency, flexibility and trust. These values, with the safety aspect as a common denominator, served us well and we remain committed to upholding them as guiding principles of how we organise our resources, and how we relate to our employees, customers and business partners.

Finally, we wish to thank the Management team and staff for their commitment and hard work. The Board of Directors has offered counsel and invaluable support and we are grateful to our shareholders for their patience and continued support as we endeavour to turn the company around.

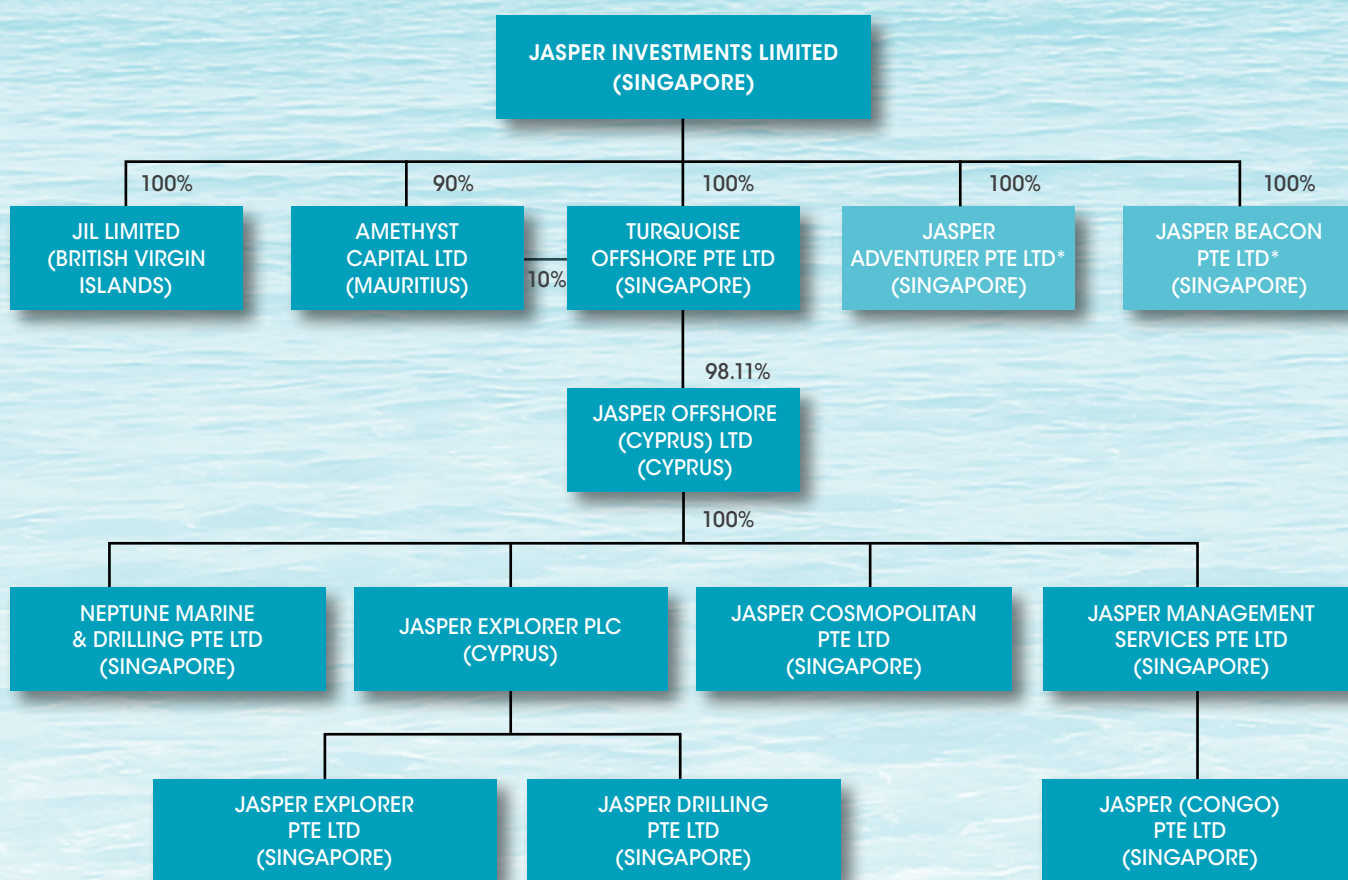


**JOHN SUNDERLAND**  
CHAIRMAN



**PAUL CARSTEN PEDERSEN**  
CHIEF EXECUTIVE OFFICER

# Corporate Structure



Note:

\* Jasper Adventurer Pte Ltd (Singapore) and Jasper Beacon Pte Ltd (Singapore) have been placed into members' voluntary liquidation.

# Corporate Information

## **BOARD OF DIRECTORS**

John Sunderland (Chairman)  
Paul Carsten Pedersen (Executive Director & CEO)  
David Chia  
Phillip Jeffrey Saile  
Tan Yeelong  
Ng Chee Keong

## **AUDIT COMMITTEE**

David Chia (Chairman)  
Ng Chee Keong  
John Sunderland

## **NOMINATING COMMITTEE**

Ng Chee Keong (Chairman)  
David Chia  
Tan Yeelong

## **REMUNERATION COMMITTEE**

Ng Chee Keong (Chairman)  
David Chia  
John Sunderland

## **COMPANY SECRETARY**

Ng Joo Khin

## **REGISTRAR**

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

## **AUDITORS**

Foo Kon Tan Grant Thornton LLP  
Public Accountants and Chartered Accountants  
47 Hill Street #05-01  
Singapore Chinese Chamber of Commerce  
& Industry Building  
Singapore 179365  
Partner-in-charge: Mr Kon Yin Tong  
(w.e.f. 31 March 2014)

## **REGISTERED OFFICE**

1 HarbourFront Place #03-01  
HarbourFront Tower One  
Singapore 098633  
Tel: +65 6303 5500  
Fax: +65 6557 2313  
Email: corp@jasperinvests.com  
Website: www.jasperinvests.com  
Company Registration No: 198700983H

# Board of Directors

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## **JOHN SUNDERLAND** CHAIRMAN

Mr John Sunderland was appointed to the board of Jasper as Non-Executive Non-Independent Chairman in September 2012.

Mr Sunderland spent 21 years in investment and wholesale banking, including ANZ Investment Bank where he was chief executive, in charge of integrating its global investment banking activities. Prior to that he undertook a number of senior executive roles at Barclays Bank including CEO of the Merchant Banking Division in Asia, and Co-Head of Investment Banking activities in the USA in addition to a number of roles in Europe.

Mr Sunderland was a Partner of PricewaterhouseCoopers LLP, UK from 2005 to 2010 and a Partner of Integrum, UK from 1999 to 2005. He has sat on the boards of several public and private sector companies.

He holds a Master of Arts (Honours) from Cambridge University and is an Associate of the Chartered Institute of Bankers (UK).

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## **PAUL CARSTEN PEDERSEN** EXECUTIVE DIRECTOR

Mr Pedersen was appointed Chief Executive Officer of the Company in January 2013 and in May 2013, assumed the role of Executive Director. He has an oversight role on the operations of the Group.

Prior to joining the Group, Mr Pedersen spent many years with the Maersk Group where he held various positions including Group Senior Vice President, Chief Commercial Officer and Deputy CEO with Maersk Contractors and also CEO with Maersk FPSO and Maersk LNG. After leaving Maersk in 2010, Mr Pedersen joined Ocean Rig UDW Inc as Acting CEO. His last appointment before he joined the Group was Head of Commercial in the Offshore Business Unit of Fincantieri Group SpA. He is also currently the Chief Executive Officer of Rubicon Offshore International Pte. Ltd.

Mr Pedersen holds a Master in Science in Mechanical Engineering from the Technical University of Denmark and has undergone business programs at Columbia University and Wharton Business School.

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## **DAVID CHIA** LEAD 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 boards of BH Global Corporation Limited and Popular Holdings Limited. He holds a Bachelor of Accountancy (Honours) from the National University of Singapore and is a Fellow Chartered Accountant of Singapore.

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**PHILLIP JEFFREY SAILE**  
**NON-EXECUTIVE DIRECTOR**

Mr Phillip Jeffrey Saile was appointed as an Independent Director in May 2010 and assumed the appointment of Chairman, Jasper Offshore in April 2011. He was re-designated a Non-Executive Non-Independent Director on 31 March 2013.

Mr Saile brings with him over three decades of experience in the offshore oil and gas industry. He 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.

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**TAN YEELONG**  
**NON-EXECUTIVE DIRECTOR**

Ms Tan Yeelong was appointed to the board of Jasper as a Non-Executive Non-Independent Director 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.

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**NG CHEE KEONG**  
**NON-EXECUTIVE DIRECTOR**

Mr Ng joined the board of Jasper as an Independent Director in September 2012.

Mr Ng spent many years with the Port of Singapore Authority ("PSA") having joined them in 1971. While with PSA, he has held various positions in the organisation including Group President & CEO, President & CEO and Global Head of Technical and Operations Development. He retired from PSA in 2005.

Mr Ng also sits on the boards of Jurong Port Pte Ltd, the Centre for Maritime Studies (National University of Singapore) and Mencast Holdings Ltd, a company listed on the SGX-ST. He holds a Bachelor of Social Science (Economics Honours, Second Upper) from the University of Singapore.

Mr Ng was awarded a Public Administration Medal (Gold) by the Government of Singapore in 1997.

# Senior Management

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## **TAN CHOON SZE** **CHIEF FINANCIAL OFFICER**

Mr Tan Choon Sze joined Jasper in April 2008 as Chief Financial Officer. He has over 22 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.

Mr Tan 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 Chartered Accountant of Singapore.

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## **IVAN CORBETTA** **DIRECTOR, OPERATIONS**

Mr Ivan Corbetta joined Jasper in April 2013 and oversees the Group's offshore drilling operations. He brings with him more than 22 years of strong work and management experience in the oil and gas industry. Prior to joining the Group, he was with Saipem for 21 years holding various positions, with the last held position being Operations Manager.

Mr Corbetta has experience in project management, having supervised new rig buildings operationally and in shipyards. He has worked in Africa, Egypt, Libya and Brazil and also has extensive experience in the offshore drilling industry.

He holds a Diploma in Electronics Technology from the Industrial Technical Institute in Milan.

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## **PINO BALDINI** **DIRECTOR, COMMERCIAL**

Mr Pino Baldini joined Jasper in January 2014. He has over 38 years of experience in the offshore industry of which 30 years were with various companies of ENI/Saipem group of companies.

Mr Baldini has built up extensive experience in marketing, business development, strategies, commercial and procurement and he has managed acquisitions and disposals of various companies in the course of his previous employments.

He had held the position of Honorary Vice Consul of Italy for the Grampian region of Scotland from 2006 to 2008 and received a Knighthood from the Republic of Italy in 2009.

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**JENS RASMUSSEN**  
DIRECTOR, PROJECTS

Mr Jens Rasmussen joined Jasper in February 2011 to oversee the construction of the Group's two jack-up rigs in Keppel FELS Limited. He now manages the conversion of the accommodation rig in Shekou, PRC. 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-up rigs, accommodation and construction support vessels.

Mr Rasmussen holds a Master of Science degree from Technical University of Denmark.

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**SEGAR CHINDAMANI**  
DIRECTOR, HSEQ

Mr Segar Chindamani joined Jasper in April 2014 and oversees the HSEQ for the Group.

Mr Segar has accumulated over 23 years of experience in the process, production and safety operations and is well-versed in both onshore and offshore operations, as well as the oil and gas industry.

He has actively participated in the Steering Committees for SMS, ISO 9001, ISO 14001 and OHSAS 18001 certifications and implementation by being the operations contact person. In 2009, he headed the Steering Committee for the ISO 9001, ISO 14001 and OHSAS 18001 certifications.

Among other qualifications, he holds a Specialist Diploma in Workplace Safety & Health and is certified as a Workplace Safety and Health Officer, Fire Safety Manager and Confined Space Assessor from the Ministry of Manpower and the Singapore Civil Defence Academy.

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**PAULINE SIM, PBM**  
DIRECTOR, HR &  
ADMINISTRATION

Ms Pauline Sim joined Jasper 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 the construction and service sectors and in recent years in the oil and gas industry.

Ms Sim is a Professional Member of Singapore Human Resources Institute. She was conferred the Public Service Medal in 2002 in recognition of her services to the community. She is a Family Life Champion in the community and has been a Deputy Registrar of Marriages since 2005.

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**MOHANA KUMARI VIJAYAN**  
DIRECTOR, PROCUREMENT

Ms Mohana Kumari Vijayan joined Jasper in May 2006 and oversees procurement for the Group.

Ms Mohana has over 31 years of working experience, 20 of which were in procurement and 11 in human resources management. Her vast experience and global networking enable her to handle a diverse spectrum of procurement processes. Her background in internal audit and ISO9001 and ISO4001 certification also helps the organisation to continuously improve its processes.

She holds a Masters in Business Administration from American University of London and a Diploma in Human Resources Management awarded by North West Regional Management Centre.

# Operational & Financial Review



Jasper Explorer

## OVERVIEW

Much of financial year 2014 (FY14) saw the world's financial market being challenged by the impact of the US quantitative easing tapering programme. In Europe, economic recovery was slow and patchy while China achieved a modest 7.7% GDP growth for the year amid leadership transition and ensuing reforms.

Against this economic uncertainty, the Jasper Explorer commenced drilling operations on 25 April 2013 in the Republic of Congo under a contract with CNOOC Congo SA (CNOOC) to drill two wells offshore with an option to drill another well. In February 2014, Jasper Explorer completed drilling the first well (Elephant-1) and second well (Horse-1). As CNOOC has decided not to exercise the option well, the Company is in discussion with certain potential clients to secure new contracts.

## GENERAL DEVELOPMENTS

In the previous financial year, the Group had 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 Jasper Cosmopolitan, into an accommodation vessel or floatel. The vessel is expected to be delivered in second half of 2014.

## FINANCIAL PERFORMANCE

The Group reported higher revenue of US\$74.6 million in FY14, an increase of US\$74.2 million over the previous year. This was attributed to the revenue generated by the Jasper Explorer which had commenced drilling operations offshore in Congo in April. The revenue included mobilisation and demobilisation fees of US\$1.4 million and drilling income of US\$73.2 million. There was no drilling revenue for the Jasper Explorer in financial year 2013 (FY13) as the rig was undergoing repairs in Spain.

The revenue from Jasper Explorer resulted in a gross profit of US\$16.4 million in FY14 compared to a gross loss of US\$53 million in the previous corresponding period.

However, other income fell to US\$0.2 million from US\$64.3 million in FY13 due to the significant gains made

previously from the disposals of two jack-up rigs, the Jasper Adventurer and Jasper Beacon, for US\$63.7 million.

The Group incurred other expenses of US\$12.7 million, among which were the repair and maintenance cost for the Jasper Explorer of US\$2.7 million, cost paid to a shipyard of US\$2.9 million, disposal loss of plant and equipment of US\$0.1 million, amortisation of bond transaction charges of US\$0.8 million and impairment of trade receivable of US\$5.5 million. This compared with other expenses of US\$26.7 million in FY13 comprising mainly of the repair and maintenance costs on the Jasper Explorer in Spain of US\$20.7 million.

Net loss attributable to equity holders of the Group for the financial year ended 31 March 2014 was US\$33.5 million after accounting for tax provision of US\$2.6 million for prior years. In comparison the net loss was US\$44.4 million in FY13.

## FINANCIAL POSITION

Group shareholder funds decreased to US\$294.8 million from US\$327.1 million in the previous year. Total negative reserves now stand at US\$296.1 million, an increase of US\$33.5 million over FY13.

Share capital rose by US\$1.2 million as a result of the issuance of 27,992,300 new shares pursuant to the Company's Share Incentive Plan. Total share capital stood at US\$590.9 million at the end of the financial year comprising 4,226,796,724 shares.

Group total assets decreased by US\$37.3 million to US\$471.8 million from US\$509.1 million in FY13, mainly due to a depreciation charge for the Jasper Explorer of US\$20.8 million, a net adjustment of US\$3.3 million in equipment cost arising from an agreement reached with a supplier, and a decrease in cash and bank balances of US\$29.9 million.

These decreases were partially offset by an increase of US\$5.8 million in the book value of the Jasper Cosmopolitan, attributed to the costs of its conversion into an accommodation vessel and US\$12.8 million in trade and other receivable as a result of the Jasper Explorer commencing operation in Congo.

The Group total liabilities decreased to US\$180.7 million from US\$185.1 million in the previous year due to the termination of an equipment supply contract of US\$4.8 million and full settlement of US\$2.4 million accrued service fees due to the Company's substantial shareholder, Ashmore Investment Management Limited (AIML). These decreases were offset by provision for taxation of US\$2.6 million.



Jasper Cosmopolitan



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# Corporate Governance

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## INTRODUCTION

The Directors and Management of the Group are committed to achieving and maintaining high standards of corporate governance, in compliance with the principles set out in the Code of Corporate Governance 2012 (the "Code") and the relevant sections of the Listing Manual (the "Listing Manual") issued by the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The provisions of the Code are applicable to annual reports relating to financial years commencing from 1 November 2012 (save for certain provisions which should be made at annual general meetings following the end of financial years commencing on or after 1 May 2016).

The Board of Directors (the "Board") is pleased to confirm that for the financial year ended 31 March 2014, the Company had generally adhered to the guidelines as outlined in the Code. Where there are deviations from the Code, the reasons for the deviations are explained accordingly.

## 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 committees and Management are accountable to the Board.

To assist in the execution of its responsibilities, the Board has established four (4) Board committees, namely the Audit Committee ("AC"), Nominating Committee ("NC"), Remuneration Committee ("RC") and the Executive Committee ("EXCO"). The Board delegates specific responsibilities to these Committees which operate within specified terms of reference setting out the scope of its duties and responsibilities and procedures governing the manner in which it is to operate and how decisions are to be taken. The Committees have the authority to examine particular issues and report to the Board with their recommendations.

The main purpose of the EXCO is to review key business and strategic issues and act as a forum for the CEO to take counsel from other directors where required in between board meetings. The EXCO currently comprises four Directors, namely Mr John Sunderland (Non-Executive Director), Mr Paul Carsten Pedersen (CEO), Mr David Chia (Independent Director) and Mr Phillip Jeffrey Saile (Non-Executive Director). The Chairman of the EXCO is Mr John Sunderland. 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.

# Corporate Governance

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

	BOARD		AUDIT		NOMINATING		REMUNERATION	
	NO. OF MEETINGS HELD <sup>(1)</sup>	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD <sup>(1)</sup>	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD <sup>(1)</sup>	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD <sup>(1)</sup>	NO. OF MEETINGS ATTENDED
John Sunderland	5	5	5	5	-	-	1	1
David Chia	5	5	5	5	1	1	1	1
Phillip Jeffrey Saile	5	5	-	-	-	-	-	-
Tan Yeelong	5	5	-	-	1	1	-	-
Ng Chee Keong	5	5	5	5	1	1	1	1
Paul Carsten Pedersen <sup>(2)</sup>	5	5	-	-	-	-	-	-

Notes:

(1) Reflects the number of meetings held which are applicable to the Director during his/her term.

(2) Mr Paul Carsten Pedersen joined the Board on 30 May 2013.

In addition to formal meetings, the Directors are frequently updated on pertinent developments in the business and 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.

The Company does not have a formal training programme for new Directors. However to assist Directors in discharging their duties, they are updated on the relevant laws, continuing listing obligations and standards requiring compliance and their implications for the Group. Newly appointed Directors will be briefed by Management on the operations of the Group so as to enable them to have a better understanding of the Group's business. Directors are encouraged to attend seminars and receive training to improve themselves in the discharge of their duties.

## 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 non-executive directors, three Directors who are non-independent and non-executive and an executive Director who is the CEO.

Each Director is appointed based on the strength of his/her calibre, experience and potential to contribute to the Company and its business. The Board is of the view that, given the Group's current scope of business operations, the current Board size and 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, its substantial shareholders or its 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. On this basis, Mr Sunderland, Mr Pedersen, Ms Tan and Mr Saile are the only Non-independent Directors.

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

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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" section 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 John Sunderland, and Mr Paul Carsten Pedersen respectively.

In view of the appointment of Mr Sunderland, who is a Non-Independent Director, as Chairman, Mr David Chia has been appointed as the Lead Independent Director of the Company for shareholders in situations where there are concerns and where communications with the Chairman, the CEO or the CFO has failed to resolve such concerns or may be inappropriate.

As non-executive Chairman, Mr Sunderland chairs the Board of Directors and is primarily responsible for the effective working of the Board. As the CEO, Mr Pedersen has overall responsibility of the Group's operations, organisational effectiveness and the implementation of Board policies and decisions.

The Chairman and the CEO of the Company 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 NC currently comprises three Directors, namely Mr Ng Chee Keong (Independent Director), Mr David Chia (Independent Director) and Ms Tan Yeelong (Non-Executive Director). The Chairman of the NC is Mr Ng Chee Keong.

The NC serves to ensure a transparent process for the nomination of Directors to the Board and has the responsibility of determining an appropriate process to review and evaluate the Board's performance as a whole as well as each individual Director on the Board.

The functions of the NC include:

- administering nominations and re-nominations to the Board;
- reviewing the structure, size and composition of the Board;
- making recommendations to the Board on the review of board succession plans all Directors, in particular, the Chairman and for the CEO;
- making recommendations to the Board on the development of a process for evaluation of the performance of the Board, its Board committees and Directors, and proposing objective performance criteria that address how the Board has enhanced long-term shareholder value; and
- making recommendations to the Board on the review of training and professional development programmes for 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 and 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.

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# Corporate Governance

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The NC notes the requirement under the Code for companies to fix the maximum number of listed company board representations that their directors may hold and to disclose this in their annual report. The NC will deliberate on this and details of such directorships and other principal commitments of the Directors will be disclosed in the next annual report in respect of the financial year ending 31 March 2015. As time requirements are subjective, the NC recognises that its assessment of each Director's ability to discharge his or her duties adequately should not be confined to the sole criterion of the number of his or her board representations. Thus, it will also take into account contributions by Directors during Board and Board Committee meetings and their attendance at such meetings, in addition to each of their principal commitments.

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. Where the need for a new Director arises, the NC will review the spectrum of expertise, skills and attributes of the Board based on its existing composition. Subsequently, the NC will identify the Company's needs and prepare a shortlist of candidates with the appropriate profile for nomination or re-nomination. Where necessary, the NC may seek advice from external search consultants.

## **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. It has also reviewed the composition of the Board and profiles of Board members in relation to the needs of the Company with the objective of achieving a balanced Board in terms of the mix of experience and expertise.

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.*

The Board receives information on the Group on an on-going basis. Directors are provided with monthly management accounts. 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. The agenda for Board meetings are prepared in consultation with the Chairman and relevant papers are provided to Directors in advance of Board and Board committee meetings. 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.

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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.

## **REMUNERATION MATTERS**

### **Principle 7: Procedures for Developing Remuneration Policies**

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

The RC comprises three members namely, Mr Ng Chee Keong (Independent Director), Mr David Chia (Independent Director) and Mr John Sunderland (Non-executive Director). The Chairman of the RC is Mr Ng Chee Keong.

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 key management executives.

The RC recommends to the Board a framework of remuneration for the Directors serving on the Board and Board committees and also senior executives. The recommendations of the RC are submitted for endorsement by the entire Board. Each member of the RC is to abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his/her remuneration package. As such, no Director is involved in deciding his/her own remuneration. The RC also reviews and administers the Jasper Share Option Plan ("Share Option Plan") and the Jasper Share Incentive Plan ("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. For example, the RC has been advised on the total remuneration plan by Carrots Consulting Pte. Ltd., a management consultancy specialising in people-pay-performance management strategies. Save for the provision of such consultancy services on remuneration plans, Carrots Consulting Pte. Ltd. has no other relationships with the Company.

### **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 base salary, allowance and benefits. An amount of up to 75% of the CEO's base salary for the year is payable as a bonus in the following year based upon delivering performance in accordance with a set of key performance indicators determined by the Board. No bonus has accrued in respect of the financial year under review.

### **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 and comparable companies. 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 a base fee and additional fees based for their appointment and roles in the respective 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.

# Corporate Governance

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 performance bonus incentives form a substantial part of total remuneration, as elaborated on under Principle 8 above.

Details of the remuneration of the Directors of the Company paid or payable for financial year ended 31 March 2014 are set out below:-

DIRECTORS	SALARY		DIRECTORS' FEES		BONUS		ALLOWANCES AND OTHER BENEFITS		SHARE OPTIONS		SHARE BASED INCENTIVES		OTHER LONG-TERM INCENTIVES		TOTAL	
	AMOUNT (US\$)	%	AMOUNT (US\$)	%	AMOUNT (US\$)	%	AMOUNT (US\$)	%	AMOUNT (US\$)	%	AMOUNT (US\$)	%	AMOUNT (US\$)	%	AMOUNT (US\$)	%
<b>US\$250,000 to US\$500,000</b>																
<b>Executive Director</b>																
Paul Carsten Pedersen	300,000	77	-	-	-	-	90,000	23	-	-	-	-	-	-	390,000	100
<b>US\$250,000 and below</b>																
<b>Non-Executive Directors</b>																
John Sunderland	-	-	73,527	100	-	-	-	-	-	-	-	-	-	-	73,527	100
David Chia	-	-	64,194	100	-	-	-	-	-	-	-	-	-	-	64,194	100
Tan Yeelong	-	-	45,816	100	-	-	-	-	-	-	-	-	-	-	45,816	100
Ng Chee Keong	-	-	55,476	100	-	-	-	-	-	-	-	-	-	-	55,476	100
Phillip Jeffrey Saile	-	-	47,427	100	-	-	-	-	-	-	-	-	-	-	47,427	100
															676,440	100

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 Jasper Share Option Plan and the Jasper Share Incentive Plan (together the "Plans") which allows employees to share in the growth and success of the Company. Details of the Plans 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.

KEY EXECUTIVES	SALARY		BONUS		ALLOWANCES AND OTHER BENEFITS		SHARE OPTIONS		SHARE BASED INCENTIVES		OTHER LONG-TERM INCENTIVES		TOTAL	
	%	%	%	%	%	%	%	%	%	%	%	%	%	
<b>US\$250,000 to US\$500,000</b>														
Tan Choon Sze	77	-	-	6	-	17	-	-	-	-	-	-	-	100
Ivan Corbetta	93	-	-	7	-	-	-	-	-	-	-	-	-	100
<b>Below US\$250,000</b>														
V Mohana	98	-	-	2	-	-	-	-	-	-	-	-	-	100
Pauline Sim	82	-	-	2	-	16	-	-	-	-	-	-	-	100
Pino Baldini <sup>(1)</sup>	60	-	-	40	-	-	-	-	-	-	-	-	-	100

Note:

(1) Mr Pino Baldini joined the Company on 6 January 2014.

The total remuneration paid to the top five key executives (who are not Directors) is US\$858,543.

The aggregate amount of termination, retirement and post-employment benefits that may be granted to the Directors, the Chief Executive Officer and the top five key executives (who are not Directors) is US\$1,534,983.

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There is no employee of the Company and its subsidiaries who is an immediate family member of any Director or the CEO or a substantial shareholder and whose remuneration exceeds US\$50,000 during the financial year ended 31 March 2014.

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.

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: Risk Management and Internal Controls**

*The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.*

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 audits 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 within its current business and operating environments. For the purposes of compliance with the Code, the Board has obtained assurance from the CEO and CFO that (a) the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances, and (b) an effective risk management and internal controls system has been put in place.

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# Corporate Governance

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## **Principle 12: Audit Committee**

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

The AC currently comprises three members namely, Mr David Chia (Independent Director), Mr Ng Chee Keong (Independent Director) and Mr John Sunderland (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 the significant financial reporting issues and judgements to ensure the integrity of the Company's financial statements/announcements relating to the Company's financial performance;
- reviewing and reporting to the Board annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls;
- 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;
- reviewing 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; and
- recommending 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.

In performing its functions, 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 a whistle-blowing framework 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 5 times during the year, with 100% attendance record by its members. Invitations are also extended to other Board members and Management 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 the Management and has the 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. During the year under review, the aggregate amount of fees paid to the external auditors, Foo Kon Tan Grant Thornton LLP ("FKTGT"), amounted to US\$188,000, with the fees paid for its provision of audit and non-audit services amounting to US\$168,000 and US\$20,000 respectively. The AC, having reviewed the range and value of non-audit services performed by the external auditors, 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.

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FKTGT is an audit firm registered with the Singapore Accounting & Corporate Regulatory Authority. As FKTGT and its affiliates are also the auditors of the Company's subsidiaries, the AC and the Board are satisfied that the standard and effectiveness of the audit of the Company would not be compromised in compliance with Rules 712 and 715 of the Listing Manual of the SGX-ST.

### **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.

## **SHAREHOLDER RIGHTS AND RESPONSIBILITIES**

### **Principles 14 and 15: Shareholder Rights and Communication with Shareholders**

*Companies should actively engage their shareholders and put in place an investor relations policy to promote 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 strives to ensure that shareholders are informed of all major developments that may have a material impact on the Group on an adequate and timely basis.

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](http://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.

### **Principle 16: Conduct of Shareholder Meetings**

*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.

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# Corporate Governance

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## **ADDITIONAL INFORMATION**

### **Dealing in Securities**

The Company has adopted a policy on dealings in the securities of the Company applicable to its Directors and employees. The policy is modeled on the Best Practices Guide in the SGX-ST Listing Manual. Under this policy, Directors and employees are prohibited from dealing in the Company's Shares during the period beginning one month before and ending on the date of the release 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 2013.

For the financial year under review, there were no interested person transactions conducted under the IPT Mandate.

During the financial year under review, the Group had paid US\$2.8 million for services rendered by AIML, a substantial shareholder of the Company and its related company, of which US\$2.4 million had been accrued for in the financial year ended 31 March 2013. The services rendered are IPTs that fall outside the IPT Mandate.

### **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 save for the following:

- (i) Service agreement entered into between the Company and its Chief Executive Officer and Executive Director.

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# Directors' Report

for the financial year ended 31 March 2014

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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 2014.

## 1. DIRECTORS

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

John Sunderland - Chairman

Paul Carsten Pedersen

David Chia

Phillip Jeffrey Saile

Tan Yeelong

Ng Chee Keong

## 2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the Directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other corporate body, other than as disclosed in this report.

## 3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

- (i) 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	
	AS AT 1.4.2013	AS AT 31.3.2014 AND 21.4.2014
<b><u>Jasper Investments Limited</u></b>		
<i>Ordinary Shares</i>		
David Chia	1,375,000	1,375,000
Phillip Jeffrey Saile	4,624,000	4,624,000
Ng Chee Keong	1,000,000	1,000,000

- (ii) According to the register of Directors' shareholdings, one Director holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the share option plan as set out below and under the paragraph "Share Plans" of this report.

	HOLDINGS IN THE NAME OF THE DIRECTOR	
	AS AT 1.4.2013	AS AT 31.3.2014 AND 21.4.2014
<b><u>Jasper Investments Limited</u></b>		
David Chia	5,000,000	5,000,000

There were no changes to any of the above-mentioned interests between the end of the financial year and 21 April 2014.

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#### 4. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no Directors of the Company have received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Companies Act, by reason of a contract made by the Company or a related corporation with the Directors or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the notes to the financial statements and salaries, bonuses and other benefits in their capacity as Directors of the Company which are disclosed in the Corporate Governance Report.

#### 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 "RC") of the Company is responsible for administering the Share Plans. As at the date of this report, the RC comprises the following members:-

Ng Chee Keong - Chairman (Independent Director)  
David Chia - Member (Independent Director)  
John Sunderland - 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 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 RC, 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 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 RC, 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

for the financial year ended 31 March 2014

## 5. SHARE PLANS (CONT'D)

### (b) Other information regarding the Share Option Plan is as follows: (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 RC 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 2014. 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	DATE OF LAPSE	EXERCISE PRICE PER SHARE		NUMBER OF UNISSUED SHARES UNDER OPTIONS
Independent Director of the Company	1	18 November 2009	18 November 2014	S\$0.13	(1)	5,000,000
<b>Total:</b>	<b>1</b>					<b>5,000,000</b>

(1) The 5,000,000 unissued Shares under options granted to the Independent Director 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 DURING THE FINANCIAL YEAR ENDED 31 MARCH 2014	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 2014
<b>Directors of the Company:</b>					
David Chia	-	5,000,000	-	-	5,000,000
<b>Other participants:</b>					
Employees of the Group	-	13,000,000	-	13,000,000	-
<b>Total:</b>	<b>-</b>	<b>18,000,000</b> (1)	<b>-</b>	<b>13,000,000</b> (1)	<b>5,000,000</b>

(1) In addition, 10,000,000 options were previously granted to 2 directors who have 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.

## 5. SHARE PLANS (CONT'D)

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

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 RC, 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.

### (e) Awards under the Share Incentive Plan

During the financial year, 27,992,300 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 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
<b>Directors of the Company:</b>				
David Chia	-	1,200,000	-	-
Phillip Jeffrey Saile	-	41,200,000	-	-
Tan Yeelong	-	1,200,000	-	-
<b>Other participants:</b>				
Employees of the Group <sup>(1)</sup>	23,192,300	131,670,523	27,992,300	1,400,000
<b>Total:</b>	<b>23,192,300</b>	<b>175,270,523</b> <sup>(2)</sup>	<b>27,992,300</b>	<b>1,400,000</b>

<sup>(1)</sup> Included in the numbers are shares comprised in awards which were granted to the ex-Executive Director.

<sup>(2)</sup> Included in the number are 120,894,223 shares comprised in awards which were released prior to FY2014.

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).

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# Directors' Report

for the financial year ended 31 March 2014

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## 6. AUDIT COMMITTEE

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

David Chia - Chairman (Independent Director)  
Ng Chee Keong - Member (Independent Director)  
John Sunderland - 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:

- overall scope of both the internal and external audits and the assistance given by the Company's offices to the auditors. It meets with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the quarterly financial information (where applicable) and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2014 as well as the auditor's report thereon; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

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, Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

**PAUL CARSTEN PEDERSEN**  
Director

**DAVID CHIA**  
Director

Dated: 26 June 2014

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Statement by  
Directors

for the financial year ended 31 March 2014

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In the opinion of the Directors, the accompanying statements of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows, 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 2014 and of the 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 Board of Directors

**PAUL CARSTEN PEDERSEN**  
Director

**DAVID CHIA**  
Director

Dated: 26 June 2014

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# Independent Auditor's Report

to the members of Jasper Investments Limited

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## **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 Group and the Company as at 31 March 2014, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and 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, Chapter 50 (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.

### 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 of financial statements that give a true and fair view 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 2014, 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 auditors, have been properly kept in accordance with the provisions of the Act.

**FOO KON TAN GRANT THORNTON LLP**  
**Public Accountants and**  
**Chartered Accountants**

Singapore, 26 June 2014

# Statements of Financial Position

as at 31 March 2014

	Note	GROUP		COMPANY	
		31 MARCH 2014 US\$'000	31 MARCH 2013 US\$'000	31 MARCH 2014 US\$'000	31 MARCH 2013 US\$'000
<b>ASSETS</b>					
<b>Non-Current</b>					
Plant and equipment	4	<b>412,738</b>	431,303	-	8
Rig newbuildings	5	-	-	-	-
Investments	6	-	36	-	36
Subsidiaries	7	-	-	-	118,502
		<b>412,738</b>	431,339	-	118,546
<b>Current</b>					
Trade and other receivables	8	<b>24,734</b>	11,921	<b>32</b>	24
Amount due from subsidiaries	7	-	-	<b>364,898</b>	340,121
Cash and bank balances	9	<b>34,313</b>	64,213	<b>4,296</b>	45,290
		<b>59,047</b>	76,134	<b>369,226</b>	385,435
Assets held-for-sale	10	-	1,620	-	-
		<b>59,047</b>	77,754	<b>369,226</b>	385,435
<b>Total assets</b>		<b>471,785</b>	509,093	<b>369,226</b>	503,981
<b>EQUITY</b>					
<b>Capital and Reserves</b>					
Share capital	11	<b>590,883</b>	589,731	<b>590,883</b>	589,731
Accumulated losses		<b>(300,619)</b>	(267,096)	<b>(290,499)</b>	(155,184)
Other reserves	12	<b>4,507</b>	4,507	<b>168</b>	168
		<b>294,771</b>	327,142	<b>300,552</b>	434,715
Non-controlling interests		<b>(3,729)</b>	(3,166)	-	-
<b>Total equity</b>		<b>291,042</b>	323,976	<b>300,552</b>	434,715
<b>LIABILITIES</b>					
<b>Non-Current</b>					
Borrowings	13	<b>157,913</b>	157,100	-	-
<b>Current</b>					
Trade and other payables	14	<b>20,151</b>	27,999	<b>179</b>	727
Amount due to subsidiaries	7	-	-	<b>67,165</b>	68,539
Current tax payable		<b>2,679</b>	18	<b>1,330</b>	-
		<b>22,830</b>	28,017	<b>68,674</b>	69,266
<b>Total liabilities</b>		<b>180,743</b>	185,117	<b>68,674</b>	69,266
<b>Total equity and liabilities</b>		<b>471,785</b>	509,093	<b>369,226</b>	503,981

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 2014

	NOTE	2014 US\$'000	2013 US\$'000
Revenue	3	<b>74,602</b>	377
Cost of sales		<b>(58,236)</b>	(53,337)
Gross profit/(loss)		<b>16,366</b>	(52,960)
Other income	15	<b>151</b>	64,260
Administrative expenses		<b>(13,337)</b>	(8,953)
Other operating expenses		<b>(509)</b>	-
Other expenses	16	<b>(12,658)</b>	(26,656)
Finance costs		<b>(21,466)</b>	(21,852)
Loss before taxation	18	<b>(31,453)</b>	(46,161)
Taxation	19	<b>(2,633)</b>	(198)
Loss after taxation representing total comprehensive expense for the year		<b>(34,086)</b>	(46,359)
Attributable to:			
Equity holders of the Company		<b>(33,523)</b>	(44,398)
Non-controlling interests		<b>(563)</b>	(1,961)
		<b>(34,086)</b>	(46,359)
Loss per share	20	<b>Cents</b>	Cents
Basic loss per share		<b>(0.794)</b>	(1.064)
Diluted loss per share		<b>(0.794)</b>	(1.064)

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 2014

	SHARE CAPITAL US\$'000	OTHER RESERVE US\$'000	SHARE OPTION RESERVE US\$'000	EXCHANGE TRANSLATION RESERVE US\$'000	TOTAL OTHER RESERVES US\$'000	ACCUMULATED LOSSES US\$'000	TOTAL ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY US\$'000	NON- CONTROLLING INTERESTS US\$'000	TOTAL EQUITY US\$'000
Balance as at 1 April 2012	586,418	3,073	335	1,266	4,674	(222,865)	368,227	(1,205)	367,022
<u>Transactions with owners</u>									
Issue of ordinary shares	3,313	-	-	-	-	-	3,313	-	3,313
Cancellation of share options	-	-	(167)	-	(167)	167	-	-	-
	3,313	-	(167)	-	(167)	167	3,313	-	3,313
Total comprehensive expense for the year	-	-	-	-	-	(44,398)	(44,398)	(1,961)	(46,359)
<b>Balance at 31 March 2013</b>	<b>589,731</b>	<b>3,073</b>	<b>168</b>	<b>1,266</b>	<b>4,507</b>	<b>(267,096)</b>	<b>327,142</b>	<b>(3,166)</b>	<b>323,976</b>
<u>Transactions with owners</u>									
Issue of ordinary shares	1,152	-	-	-	-	-	1,152	-	1,152
	1,152	-	-	-	-	-	1,152	-	1,152
Total comprehensive expense for the year	-	-	-	-	-	(33,523)	(33,523)	(563)	(34,086)
<b>Balance at 31 March 2014</b>	<b>590,883</b>	<b>3,073</b>	<b>168</b>	<b>1,266</b>	<b>4,507</b>	<b>(300,619)</b>	<b>294,771</b>	<b>(3,729)</b>	<b>291,042</b>

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 2014

	2014 US\$'000	2013 US\$'000
<b>Cash Flows from Operating Activities</b>		
Loss before taxation	(31,453)	(46,161)
Adjustments for:		
Write-off of plant and equipment	-	4
Depreciation of plant and equipment	20,826	20,669
Interest income	(24)	(46)
Interest expense	21,466	21,852
Amortisation of bond transaction charges	813	688
Loss on disposal of plant and equipment (net)	57	-
Loss on disposal of assets held-for-sale	78	-
Gain on disposal of investment	(39)	-
Net gain on disposal of jack-up rigs	-	(63,710)
Impairment charge on assets held-for-sale	-	286
Impairment charge on plant and equipment	-	107
Issuance of shares under share incentive plan	1,152	3,313
Operating profit/(loss) before working capital changes	12,876	(62,998)
(Increase)/decrease in operating receivables	(12,814)	135
Decrease in operating payables	(2,797)	(344)
Cash used in operations	(2,735)	(63,207)
Income taxes received/(paid)	29	(221)
Net cash used in operating activities	(2,706)	(63,428)
<b>Cash Flows from Investing Activities</b>		
Acquisition of plant and equipment (Note A)	(6,032)	(4,311)
Acquisition of rig newbuildings	-	(4,476)
Purchase of inventories, now classified as assets held-for-sale	-	(1,906)
Interest received	24	46
Net proceeds from disposal of jack-up rigs	-	145,141
Proceeds from disposal of plant and equipment	298	-
Proceeds from disposal of assets held-for-sale	97	-
Proceeds from disposal of investment	76	-
Net cash (used in)/generated from investing activities	(5,537)	134,494
<b>Cash Flows from Financing Activities</b>		
Interest paid	(21,466)	(21,789)
Buy-back of bonds	-	(4,940)
Repayment of term loan	-	(500)
Net cash used in financing activities	(21,466)	(27,229)
Net (decrease)/increase in cash and cash equivalents	(29,709)	43,837
Cash and cash equivalents at beginning	64,213	20,286
Effect of foreign exchange rate changes	(191)	90
Cash and cash equivalents at end (Note 9)	34,313	64,213

## Notes:

### A. Acquisition of plant and equipment

During the financial year, the Group acquired plant and equipment with an aggregate cost of approximately US\$6 million (2013 - US\$4.3 million). Cash payments of approximately US\$6 million (2013 - US\$4.3 million) were made to purchase plant and equipment.

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

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# Notes to the Financial Statements

for the financial year ended 31 March 2014

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## 1 GENERAL INFORMATION

The financial statements of the Group and the Company for the year ended 31 March 2014 were authorised for issue in accordance with a resolution of the Directors on the date of the Statement by Directors.

The Company is incorporated as a limited liability company domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office and principal place of business of the Company is located at 1 HarbourFront Place #03-01, HarbourFront Tower One, Singapore 098633.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

The parent company is Morton Bay (Holdings) Pte Ltd whose registered address is at 80 Robinson Road #02-00, Singapore 068898.

## 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.

The financial statements are presented in United States dollars which is the Company's functional currency. All financial information is presented in United States dollars unless otherwise stated.

### Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet their obligations as and when they fall due in the next 12 months. The Group incurred a net loss after tax of US\$34.1 million (2013 - US\$46.4 million) and negative operating cashflows of US\$2.7 million (2013 - US\$63.4 million) during the financial year ended 31 March 2014.

The Group is actively engaging potential customers to secure contracts for the Jasper Explorer.

The Jasper Cosmopolitan is completing conversion works into a 500-man accommodation vessel in Shekou, Republic of China. It is expected to be delivered in second half of 2014. The Group has the ability to generate additional working capital either through financing from financial or other institutions or by a sale of the vessel. The Group is of the view that there is currently a healthy demand for accommodation vessel 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.

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# Notes to the Financial Statements

for the financial year ended 31 March 2014

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## 2(A) BASIS OF PREPARATION (CONT'D)

### Significant accounting estimates and judgement

The preparation of the financial statements in conformity with FRS requires the use of judgement, 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 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 Group's and the Company's plant and equipment as at 31 March 2014 are US\$412.7 million and US\$Nil (2013 - US\$431.3 million and US\$8,000) 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

The Group assesses annually whether plant and equipment have any indication of impairment in accordance with the accounting policy. The recoverable amounts of plant and equipment have been determined based on the higher of value-in-use computation and fair value less costs to sell. The value-in-use computation requires the Group to estimate the future cash flows expected from the cash generating unit 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.

#### 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 included in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where 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.

#### Allowance for bad and doubtful debts

Allowances for bad and doubtful debts are 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 debt expenses in the period in which such estimate has been changed.

The accounting policies used by the Group have been applied consistently to all periods presented in these financial statements.

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## 2(A) BASIS OF PREPARATION (CONT'D)

Judgement exercised by management:

### Accommodation vessel under construction

Management is of the view that the accommodation vessel under construction is not available for its intended use as it is yet to be completed. As such, no depreciation has been provided until the asset is completed and ready for use.

## 2(B) AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN 2013

On 1 April 2013, the Group adopted the new or amended FRS that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS. This includes the following FRS, which are relevant to the Group:

<b>Reference</b>	<b>Description</b>
Amendments to FRS 1	Presentation of Items of Other Comprehensive Income
Revised FRS 19	Employee Benefits
Amendments to FRS 107	Disclosures - Offsetting Financial Assets and Financial Liabilities
FRS 113	Fair Value Measurement
Improvements to FRSs 2012	

### FRS 1 Presentation of Items of Other Comprehensive Income

The amendments to FRS 1 Presentation of Items of Other Comprehensive Income (OCI) are effective for financial periods beginning on or after 1 July 2012.

The amendments to FRS 1 changes the grouping of items presented in OCI. Items that could be classified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the amendments only affect the presentations of items that are already recognised in OCI, the Group does not expect any impact on its financial position or performance upon adoption of this standard.

### FRS 107 Disclosures - Offsetting Financial Assets and Financial Liabilities

The amendments to FRS 107 provide disclosure requirements that are intended to help investors and other financial statement users better assess the effect or potential effect of offsetting arrangements on a company's financial position. The new disclosures require information about the gross amount of financial assets and liabilities before offsetting and the amounts set off in accordance with the offsetting model in FRS 32.

### FRS 113 Fair Value Measurement

FRS 113 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of FRS 113 is broad and it applies for both financial and non-financial items for which other FRSs require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances. FRS 113 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application. The Group has however included as comparative information the FRS 113 disclosures that were required previously by FRS 107 'Financial Instruments: Disclosures'. Fair value is now applied from the viewpoint of market participants.

# Notes to the Financial Statements

for the financial year ended 31 March 2014

## 2(C) FRS AND INT FRS NOT YET EFFECTIVE

The following are the new or amended FRS and INT FRS issued in 2013 that are not yet effective but may be early adopted for the current financial year:

REFERENCE	DESCRIPTION	EFFECTIVE DATE (ANNUAL PERIODS BEGINNING ON OR AFTER)
Revised FRS 27	Separate Financial Statements	1 January 2014
Revised FRS 28	Investments in Associates and Joint Ventures	1 January 2014
Amendments to FRS 32	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Revised FRS 110	Consolidated Financial Statements	1 January 2014
FRS 110	Amendments to FRS 110, FRS 111 and FRS 112 - Consolidated Financial Statements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2014
FRS 111	Joint Arrangements	1 January 2014
FRS 112	Disclosure of Interests in Other Entities	1 January 2014
INT FRS 121	Levies	1 January 2014
Improvements to FRSs		
- Amendments to FRS 16	Property, Plant and Equipment	1 July 2014
- Amendments to FRS 24	Related Party Disclosure	1 July 2014
- Amendments to FRS 38	Intangible Assets	1 July 2014
- Amendments to FRS 102	Share-based Payment	1 July 2014
- Amendments to FRS 103	Business Combinations	1 July 2014
- Amendments to FRS 108	Operating Segments	1 July 2014
Improvements to FRSs		
- Amendments to FRS 40	Investment Property	1 July 2014
- Amendments to FRS 103	Business Combinations	1 July 2014
- Amendments to FRS 113	Fair Value Measurement	1 July 2014

The Directors do not anticipate that the adoption of the above FRSs in future periods will have a material impact on the financial statements of the Group in the period of their initial adoption.

## 2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Consolidation

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.

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## 2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### Consolidation (cont'd)

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.

### Disposal of subsidiary

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 are derecognised. 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.

### 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 rig	20 years
Motor vehicles	5 years
Equipment, furniture and fittings	3 years

Accommodation vessel under construction is not depreciated until the asset is 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 economic 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.

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# Notes to the Financial Statements

for the financial year ended 31 March 2014

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## **2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

### **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 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.

### **Financial assets**

Financial assets, other than hedging instruments, can be divided 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. Financial assets are assigned to the different categories by management on the initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date - the date on which the Group commits 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 financial assets 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 the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

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.

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## 2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### Financial assets (cont'd)

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments.

The Group has not designated any financial assets upon initial recognition at fair value through profit or loss.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

#### 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 Group provides money, goods or services directly to a receivable 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.

Loans and receivables include trade and other receivables (excluding prepayments), amount due from subsidiaries and cash and bank balances. They are subsequently measured at amortised cost using the effective interest method, less 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 profit or loss.

#### Cash and cash equivalents

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

#### Assets held-for-sale

Assets held-for-sale are carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as being held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

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# Notes to the Financial Statements

for the financial year ended 31 March 2014

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## **2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

### **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 financial liabilities include borrowings, trade and other payables and amount due to subsidiaries.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as expense under finance costs in profit or loss. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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 profit or loss over the period of the borrowings using the effective interest method. All interest-related charge are recognised as an expense in "finance cost" in profit or loss.

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

Borrowings which are due to be settled within 12 months after the end of reporting period are included in current liabilities in the statements of financial position even though the original terms were for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of reporting period. 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 end of reporting period are included in non-current liabilities in the statements of financial position.

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

### **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, 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. Present obligations arising from onerous contracts are recognised as provisions.

Management reviews the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs.

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## 2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### **Borrowing costs**

Borrowing costs are recognised in profit or 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.

### **Operating leases**

Rentals on operating leases are charged to 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 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, 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.

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 end of the reporting period; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss.

### **Employee benefits**

#### Defined contribution plan

The Group participates in the defined contribution national pension schemes as provided 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. The contributions to pension schemes are charged to profit or loss in the period to which the contributions relate.

#### Short-term benefits

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

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# Notes to the Financial Statements

for the financial year ended 31 March 2014

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## 2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### Employee benefits (cont'd)

#### Short-term benefits (cont'd)

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 and Share Incentive Plan

The Company operates share based compensation plans.

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 and incentive shares are recognised as an expense in profit or loss with a corresponding increase in the share option and share plan 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 and incentive shares granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options and share incentive plan 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 and share incentive plan that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option and share incentive plan 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 and incentive shares 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.

### 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 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.

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## 2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### Impairment of non-financial assets (cont'd)

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 profit or loss, unless it reverses a previous revaluation in which case it is charged to equity.

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.

A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in profit or loss, a reversal of that impairment loss is recognised as income in profit or loss.

### Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. 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 rig pertaining to the relocation of drilling rig is recognised when services are performed over a time duration period.

Revenue from demobilisation fee of rig 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.

### 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 ("functional currency"). The financial statements of the Group and the Company are presented in United States dollars, which is also the functional currency of the Company.

# Notes to the Financial Statements

for the financial year ended 31 March 2014

## 2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### Conversion of foreign currencies

#### Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign currency gains and losses are reported on a net basis as either other income or other operating expense depending on whether foreign currency movements are in the net gain or net loss position.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

#### 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 other comprehensive income and accumulated in the exchange reserve.

### Operating segments

For management purposes, operating segments are organised 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 intercompany transactions and applicable goods and services tax, are detailed as follows:

<b>GROUP</b>	<b>2014 US\$'000</b>	<b>2013 US\$'000</b>
Drilling contract revenue	<b>73,152</b>	-
Mobilisation/demobilisation fee	<b>1,434</b>	377
Services rendered	<b>16</b>	-
	<b>74,602</b>	377

#### 4 PLANT AND EQUIPMENT

GROUP	ACCOMMODATION VESSEL UNDER CONSTRUCTION US\$'000	DRILLING RIG US\$'000	MOTOR VEHICLES US\$'000	EQUIPMENT, FURNITURE AND FITTINGS US\$'000	TOTAL US\$'000
Cost					
At 1 April 2012	105,896	536,098	160	238	642,392
Additions	4,030	-	-	281	4,311
Disposals	-	-	-	(228)	(228)
At 31 March 2013	<b>109,926</b>	<b>536,098</b>	<b>160</b>	<b>291</b>	<b>646,475</b>
Additions	<b>4,182</b>	<b>1,754</b>	-	<b>96</b>	<b>6,032</b>
Transfer from assets held-for-sale (Note 10)	<b>1,620</b>	-	-	-	<b>1,620</b>
Disposals	<b>(23,566)</b>	<b>(390)</b>	<b>(160)</b>	-	<b>(24,116)</b>
<b>At 31 March 2014</b>	<b>92,162</b>	<b>537,462</b>	-	<b>387</b>	<b>630,011</b>
Accumulated depreciation and impairment loss					
At 1 April 2012	55,848	138,430	121	181	194,580
Depreciation for the year	-	20,569	32	68	20,669
Impairment in value	107	-	-	-	107
Disposals	-	-	-	(184)	(184)
At 31 March 2013	<b>55,955</b>	<b>158,999</b>	<b>153</b>	<b>65</b>	<b>215,172</b>
Depreciation for the year	-	<b>20,721</b>	-	<b>105</b>	<b>20,826</b>
Disposals	<b>(18,530)</b>	<b>(42)</b>	<b>(153)</b>	-	<b>(18,725)</b>
<b>At 31 March 2014</b>	<b>37,425</b>	<b>179,678</b>	-	<b>170</b>	<b>217,273</b>
Net book value					
<b>At 31 March 2014</b>	<b>54,737</b>	<b>357,784</b>	-	<b>217</b>	<b>412,738</b>
At 31 March 2013	53,971	377,099	7	226	431,303

# Notes to the Financial Statements

for the financial year ended 31 March 2014

## 4 PLANT AND EQUIPMENT (CONT'D)

COMPANY	MOTOR VEHICLE US\$'000	EQUIPMENT, FURNITURE AND FITTINGS US\$'000	TOTAL US\$'000
Cost			
At 1 April 2012	160	182	342
Disposals	-	(180)	(180)
At 31 March 2013	<b>160</b>	<b>2</b>	<b>162</b>
Disposals	<b>(160)</b>	-	<b>(160)</b>
<b>At 31 March 2014</b>	<b>-</b>	<b>2</b>	<b>2</b>
Accumulated depreciation			
At 1 April 2012	121	170	291
Depreciation for the year	32	7	39
Disposals	-	(176)	(176)
At 31 March 2013	<b>153</b>	<b>1</b>	<b>154</b>
Depreciation for the year	-	1	1
Disposals	<b>(153)</b>	-	<b>(153)</b>
<b>At 31 March 2014</b>	<b>-</b>	<b>2</b>	<b>2</b>
Net book value			
<b>At 31 March 2014</b>	<b>-</b>	<b>-</b>	<b>-</b>
At 31 March 2013	7	1	8

The drilling rig, the Jasper Explorer, represents a significant portion of the Group's assets. The carrying amount was US\$357.8 million (2013 - US\$377.1 million). Accommodation vessel under construction refers primarily to the Jasper Cosmopolitan which is expected to be delivered in second half of 2014.

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

The Group carried out a review of the recoverable amount of its plant and equipment, namely the drilling rig. This asset is used in the Group's offshore drilling segment. The carrying amount of the asset was reduced to the recoverable amounts based on the value-in-use amounts over the remaining life of the drilling rig and discounted to present value at a rate of 9.96% (2013 - 9.9%).

The Group carried out a review of the recoverable amount of the accommodation vessel under construction based on the fair value determined by an independent professional valuer.

Based on the review, no impairment is required on the drilling rig and the accommodation vessel under construction.

In the previous financial year, an impairment loss of US\$107,000 had been made for certain equipment of the accommodation vessel under construction as the recoverable amount of these equipment was lower than the carrying amount.

The key assumptions used for the value-in-use computations 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.

#### 4 PLANT AND EQUIPMENT (CONT'D)

The drilling rig, which has a total net book value of US\$357.8 million (2013 - US\$377.1 million), has been mortgaged to the bondholders as security for borrowings as disclosed in Note 13.

The accommodation vessel under construction with a net book value of US\$54.7 million (2013 - US\$54 million), has been mortgaged to a subsidiary.

#### 5 RIG NEWBUILDINGS

	GROUP	
	2014 US\$'000	2013 US\$'000
At beginning of the year	-	74,634
Additions	-	4,476
Disposals	-	(79,110)
	-	-

The 2 jack-up rigs were disposed of in the previous financial year and the proceeds were used to repay the related loan. The security relating to the loan had been discharged. The effective interest rate was 14% per annum.

#### 6 INVESTMENTS

	GROUP AND COMPANY	
	2014 US\$'000	2013 US\$'000
Club membership, at cost	116	116
Impairment of club membership	(80)	(80)
Disposal	(36)	-
	-	36

#### 7 SUBSIDIARIES

	COMPANY	
	2014 US\$'000	2013 US\$'000
Unquoted shares, at cost	*	*
Amount due from subsidiary - long-term loan	320,392	306,992
Less: Impairment		
Opening balance	188,490	188,490
Movement during the year	131,902	-
Ending balance	320,392	188,490
	-	118,502

\* Less than US\$1,000.

#### Amounts due from/(to) subsidiaries - non-trade

	COMPANY	
	2014 US\$'000	2013 US\$'000
Amount due from subsidiaries	364,898	340,121
Amount due (to) subsidiaries	(67,165)	(68,539)
	297,733	271,582

The long-term unsecured loan is an extension of the Company's net investment in the subsidiary. It is unsecured, interest-free and with no fixed terms of repayment for the loan as the settlement is neither planned nor likely to be settled in the foreseeable future. As they represent net investments, with indeterminable repayments, fair valuation is not appropriate.

# Notes to the Financial Statements

for the financial year ended 31 March 2014

## 7 SUBSIDIARIES (CONT'D)

The Company carried out a review of the investments. Based on the review, impairment of US\$132 million was made for the financial year. These subsidiaries own the plant and equipment in the Group.

Amounts due from/(to) subsidiaries, representing advances, are non-trade, unsecured, interest-free and repayable on demand.

The subsidiaries are as follows:

NAME	COUNTRY OF INCORPORATION	EFFECTIVE PERCENTAGE OF EQUITY HELD		PRINCIPAL ACTIVITIES
		2014 %	2013 %	
<u>Held by the Company</u>				
* Turquoise Offshore Pte. Ltd.	Singapore	<b>100.00</b>	100.00	Investment holding
* Jasper Adventurer Pte. Ltd.	Singapore	<b>100.00</b>	100.00	Dormant
* Jasper Beacon Pte. Ltd.	Singapore	<b>100.00</b>	100.00	Dormant
** JIL Ltd	British Virgin Islands	<b>100.00</b>	100.00	Investment holding
*** Amethyst Capital Ltd	Mauritius	<b>90.00</b>	90.00	Investment holding, treasury and finance
<u>Held by the Company's subsidiaries</u>				
*** Jasper Offshore (Cyprus) Ltd	Cyprus	<b>98.11</b>	98.11	Investment holding
* Neptune Marine & Drilling Pte. Ltd.	Singapore	<b>98.11</b>	98.11	Dormant
* Jasper Cosmopolitan Pte. Ltd.	Singapore	<b>98.11</b>	98.11	Owner of accommodation vessel under construction
* Jasper Explorer Pte. Ltd.	Singapore	<b>98.11</b>	98.11	Owner of drilling rig
* Jasper Drilling Pte. Ltd.	Singapore	<b>98.11</b>	98.11	Offshore drilling services
*** Jasper Explorer PLC	Cyprus	<b>98.11</b>	98.11	Investment holding
* Jasper Management Services Pte. Ltd.	Singapore	<b>98.11</b>	98.11	Management services
** Jasper (Congo) Pte. Ltd.	Singapore	<b>98.11</b>	98.11	Dormant

\* 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.

## 8 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000
Trade receivables	9,265	7,609	-	-
Deposits	13,925	797	17	17
Prepayments	1,447	541	15	5
Other receivables	97	3,066	-	94
	<b>24,734</b>	12,013	<b>32</b>	116
Allowance for doubtful debts - other receivables	-	(92)	-	(92)
	<b>24,734</b>	11,921	<b>32</b>	24

Trade receivables balances are normally on 45 days credit terms.

The carrying amount of trade and other receivables individually determined to be impaired are as follows:

	GROUP		COMPANY	
	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000
<u>Other receivables</u>				
Balance at beginning of financial year	92	92	92	92
Allowance utilised	(92)	-	(92)	-
Balance at end of financial year	-	92	-	92

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

	GROUP		COMPANY	
	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000
Past due 0 to 3 months	3	432	-	-
Past due 3 to 6 months	-	-	-	-
Past due over 6 months	10	7,177	-	-
	<b>13</b>	7,609	-	-

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

## 9 CASH AND BANK BALANCES

	GROUP		COMPANY	
	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000
Fixed deposit	1,040	-	1,040	-
Cash and bank balances	33,267	64,200	3,256	45,290
Cash on hand	6	13	-	-
Cash and cash equivalents	<b>34,313</b>	64,213	<b>4,296</b>	45,290

The fixed deposit has a maturity of 1 month (2013 - Nil) from the end of the financial year. The effective interest rate is 0.07% per annum (2013 - Nil).

# Notes to the Financial Statements

for the financial year ended 31 March 2014

## 10 ASSETS HELD-FOR-SALE

The inventories in previous financial year to be disposed of have been reclassified to plant and equipment at recoverable amount after management opined that inventories can be used for future drilling operations.

Details of the assets classified as held-for-sale are as follows:

	GROUP	
	2014 US\$'000	2013 US\$'000
Inventories	1,906	1,906
Impairment of assets held-for-sale	(286)	(286)
Transfer to plant and equipment (Note 4)	(1,620)	-
	-	1,620

In the previous financial year, an impairment of US\$286,000 was recognised. This arose as the recoverable amount was lower than the carrying amount.

## 11 SHARE CAPITAL

GROUP AND COMPANY	2014	2013	2014	2013
	Number of ordinary shares		US\$'000	US\$'000
<b>Issued and fully paid, with no par value</b>				
Balance at beginning	4,198,804,424	4,128,792,966	589,731	586,418
Issue of ordinary shares (a)	27,992,300	70,011,458	1,152	3,313
Balance at end	4,226,796,724	4,198,804,424	590,883	589,731

(a) During the financial year, the Company issued and allotted 27,992,300 (2013 - 70,011,458) 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 2014.

The newly issued shares rank *pari passu* in all respects with the previously issued shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's residual assets.

### Share-based compensation

#### Share Option Plan

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

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 RC may at its discretion fix the exercise price at a discount not exceeding 20% to the above price.

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 be cancelled when the option holder ceases to be a full-time employee of the Company or subsidiaries of the Group subject to certain exceptions at the discretion of the Company.

## 11 SHARE CAPITAL (CONT'D)

### Share-based compensation (cont'd)

#### Share Option Plan (cont'd)

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

GROUP AND COMPANY	2014	2013
	NUMBER OF OPTIONS	
Outstanding at beginning of financial year	5,000,000	10,000,000
Lapsed/cancelled	-	(5,000,000)
Outstanding at end of financial year	5,000,000	5,000,000

The exercise price for the outstanding options at the end of the reporting period was S\$0.13 (2013 - S\$0.13). The weighted average remaining contractual life for these options is 0.7 years (2013 - 1.7 years).

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

Date of grant	18.11.2009
Prevailing share price at grant	S\$0.14
Exercise price	S\$0.13
Expected volatility	30%
Expected life	5 years
Risk free rate	1.37%
Expected dividend yield	Nil

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

#### Share Incentive Plan

The Share Incentive Plan was approved by the Shareholders of the Company in July 2009 and is administered by the RC.

During the financial year, there were 27,992,300 (2013 - 70,011,458) incentive shares that were issued and allotted. Depending on the achievement of the pre-determined performance targets, the actual number of incentive shares to be released as at the end of the next reporting period could be zero or a maximum of 1,400,000.

Details of the Share Option Plan and Share Incentive Plan are disclosed in Note 5 to the Directors' Report.

## 12 OTHER RESERVES

	GROUP		COMPANY	
	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000
(a) Exchange translation reserve				
Balance at beginning <b>and end</b>	<b>1,266</b>	1,266	-	-
(b) Option reserve (Note 11)				
Balance at beginning	<b>168</b>	335	<b>168</b>	335
Movement during the year	-	(167)	-	(167)
Balance at end	<b>168</b>	168	<b>168</b>	168
(c) Other reserves				
Balance at beginning <b>and end</b>	<b>3,073</b>	3,073	-	-
Total other reserves	<b>4,507</b>	4,507	<b>168</b>	168

# Notes to the Financial Statements

for the financial year ended 31 March 2014

## 12 OTHER RESERVES (CONT'D)

- (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. Details of the options are set out in Note 11.
- (c) Other reserves represent reserves of subsidiaries which were capitalised as bonus issues, gain on acquisition of additional shares in subsidiary and dilution of non-controlling interests in the previous years.

## 13 BORROWINGS

	GROUP		COMPANY	
	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000
<b>Non-current liabilities</b>				
Senior bonds - secured	157,913	162,040	-	-
Senior bonds bought back in August 2013	-	(4,940)	-	-
	<b>157,913</b>	<b>157,100</b>	-	-
Analysed as follows:				
Due not later than one year	-	-	-	-
Due later than one year and not later than five years	157,913	157,100	-	-
Due later than five years	-	-	-	-
	<b>157,913</b>	<b>157,100</b>	-	-

### 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 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 2014 to May 2016 at various redemption prices stipulated in the terms of the 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 subsidiary experiences specific change of control events, the holders of the Senior Bonds will have the right to call for redemption immediately.

### 13 BORROWINGS (CONT'D)

#### Senior Bonds - secured (cont'd)

In the previous financial year, Senior Bonds of principal amount US\$6 million were bought back at US\$4.9 million from bondholders. The management does not intend to hold the bonds till maturity nor retire the bonds early.

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

### 14 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000
Trade payables	4,880	9,621	39	16
Accrued expenses	7,799	10,205	59	58
Interest payable	7,391	7,673	-	-
Other payables	81	500	81	653
	<b>20,151</b>	<b>27,999</b>	<b>179</b>	<b>727</b>

Trade payables balances are normally on 30 days credit terms.

### 15 OTHER INCOME

	GROUP	
	2014 US\$'000	2013 US\$'000
Gain on disposal of investment	39	-
Gain on disposal of plant and equipment	67	-
Net gain on disposal of jack-up rigs	-	63,710
Interest income	24	46
Write-back of payables	-	202
Miscellaneous income	21	302
	<b>151</b>	<b>64,260</b>

### 16 OTHER EXPENSES

	GROUP	
	2014 US\$'000	2013 US\$'000
Cost paid to shipyard	(2,879)	-
Foreign exchange loss	(287)	(285)
Fees for termination of an equipment supply contract	(307)	-
Impairment charge on plant and equipment	-	(107)
Impairment charge on assets held-for-sale	-	(286)
Impairment of trade receivable	(5,479)	-
Loss on disposal of plant and equipment	(124)	-
Loss on disposal of assets held-for-sale	(78)	-
Repair and maintenance on drilling rig	(2,681)	(20,740)
Transaction charges on borrowings	(813)	(688)
Term loan transaction costs	-	(3,745)
Others	(10)	(805)
	<b>(12,658)</b>	<b>(26,656)</b>

# Notes to the Financial Statements

for the financial year ended 31 March 2014

## 17 STAFF COSTS

	GROUP	
	2014 US\$'000	2013 US\$'000
Directors' remuneration (key management personnel)		
- Directors of the Company		
- fees	100	441
- salaries and related costs	390	2,491
- CPF contributions	-	5
- Directors of subsidiaries		
- salaries and related costs	1,042	2,690
- CPF contributions	29	33
Staff costs (excluding directors' remuneration):		
- salaries and related costs	28,911	19,383
- CPF contributions	130	138
	<b>30,602</b>	<b>25,181</b>
The staff costs are charged to the following:		
Included in administrative expenses	5,838	6,073
Included in other operating expenses	251	-
Included in cost of sales	24,513	17,057
Capitalised under rig newbuildings	-	2,051
	<b>30,602</b>	<b>25,181</b>

## 18 LOSS BEFORE TAXATION

	NOTE	GROUP	
		2014 US\$'000	2013 US\$'000
Loss before taxation is stated after charging:			
Depreciation of plant and equipment	4	20,826	20,669
Auditor fees			
- auditor of the Company and the Group		168	172
- other auditors		17	20

## 19 TAXATION

	GROUP	
	2014 US\$'000	2013 US\$'000
Underprovision of taxation in respect of prior years	2,633	198
	<b>2,633</b>	<b>198</b>

## 19 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	
	2014 US\$'000	2013 US\$'000
Loss before taxation	<b>(31,453)</b>	(46,161)
Tax at statutory rate of 17% (2013 - 17%)	<b>(5,347)</b>	(7,848)
Tax effect on non-deductible expenses	<b>9,983</b>	17,673
Tax effect on non-taxable income	<b>(4,888)</b>	(11,522)
Tax benefits under PIC scheme	<b>(68)</b>	-
Deferred tax assets on temporary differences not recognised	<b>67</b>	222
Underprovision of taxation in respect of prior years	<b>2,633</b>	198
Differences in foreign tax rates	<b>253</b>	1,475
	<b>2,633</b>	198

The Group has unutilised tax losses amounting to approximately US\$2.7 million (2013 - US\$2.2 million) 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.

The income of a subsidiary, which arises from bareboat charter activities, is exempted from income tax in accordance with Section 13A of Singapore Income Tax Act, Cap. 134.

Unutilised tax benefits of US\$459,000 (2013 - US\$369,000) have not been recognised as the realisation in the future is uncertain.

## 20 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:

	2014 US CENTS	2013 US CENTS
Basic loss per share	<b>(0.794)</b>	(1.064)
Diluted loss per share	<b>(0.794)</b>	(1.064)

# Notes to the Financial Statements

for the financial year ended 31 March 2014

## 20 LOSS PER SHARE (CONT'D)

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

	2014 US\$'000	2013 US\$'000
Net loss attributable to ordinary shareholders of the Company	<b>(33,523)</b>	(44,398)

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

	NO. ( '000)	NO. ( '000)
Weighted average number of ordinary shares	<b>4,219,898</b>	4,171,944

5,000,000 options (2013 - 5,000,000 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.

1,400,000 incentive shares (2013 - 9,600,000 incentive shares) granted to the employee under the Share Incentive Plan have not been included in the calculation of diluted loss per share because they are anti-dilutive.

## 21 RELATED PARTY TRANSACTIONS

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:

	GROUP	
	2014 US\$'000	2013 US\$'000
Services rendered by substantial shareholder of the Company	<b>408</b>	2,360

## 22 CAPITAL COMMITMENTS

	GROUP	
	2014 US\$'000	2013 US\$'000
Expenditure authorised and not contracted for the overhauls and scheduled major maintenance projects	-	480
Expenditure authorised and contracted for the conversion of semi-submersible to accommodation rig	<b>67,731</b>	79,835

## 23 OPERATING LEASE COMMITMENTS (NON-CANCELLABLE)

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	
	2014 US\$'000	2013 US\$'000
Not later than one year	<b>549</b>	566
Later than one year and not later than five years	<b>176</b>	709

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## 23 OPERATING LEASE COMMITMENTS (NON-CANCELLABLE) (CONT'D)

The leases on the Group's office and house premises on which rentals are payable will expire earliest on 17 February 2015 and latest on 31 July 2015, and the current rent payable on the leases are US\$7,940 to US\$37,721 per month and are subject to revision on renewal or yearly revision.

The leases on the photocopiers on which rental are payable will expire earliest on 1 February 2016 and latest on 9 September 2018, subject to renewal. The current rent payable on the lease is approximately US\$182 to US\$318 per month, which is subject to revision on renewal.

## 24 LEGAL MATTER

In previous financial year, the Group made disclosures in relation to the legal proceedings commenced by the Group to recover from AGR Well Management Limited ("AGR") the amount of US\$10.2 million due under a drilling contract entered into with AGR in May 2011. The Group has amicably reached a settlement with AGR and the other relevant parties. Pursuant to the settlement, the Group recorded a net impairment of US\$5.5 million.

## 25 CONTINGENT LIABILITIES

### Dispute with suppliers

There were suppliers who had invoiced a subsidiary of the Group for services provided notwithstanding that the services have been terminated. As at the date of the report, the subsidiary has not heard from the suppliers with regards to payment for these invoices and the Group is unable to determine the outcome as any claims for payment of the invoices are not definite.

### Fixed deposit pledged

The Group has pledged the fixed deposit on a letter of credit issued in favour of a supplier.

## 26 OPERATING SEGMENTS

Segment information is provided as follows:

### By business

### Principal activities

Offshore drilling	Drilling rig 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 Group 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.

The following tables present revenue and profit information regarding industry segments for the years ended 31 March 2014 and 2013, and certain assets and liabilities information regarding industry segments as at 31 March 2014 and 2013.

# Notes to the Financial Statements

for the financial year ended 31 March 2014

## 26 OPERATING SEGMENTS (CONT'D)

### Business Segments

	OFFSHORE DRILLING		CORPORATE		TOTAL CONTINUING OPERATIONS	
	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000
Segment revenue						
Sales to external customers	74,602	377	-	-	74,602	377
Total revenue	74,602	377	-	-	74,602	377
Segment result	(7,594)	(22,397)	(2,417)	(1,958)	(10,011)	(24,355)
Finance income	10	7	14	39	24	46
Finance costs	(21,466)	(21,852)	-	-	(21,466)	(21,852)
Loss before tax					(31,453)	(46,161)
Taxation					(2,633)	(198)
					(34,086)	(46,359)
Non-controlling interests, net of tax					563	1,961
Net loss for the year					(33,523)	(44,398)
Segment assets	466,159	463,246	5,626	45,847	471,785	509,093
Total assets	466,159	463,246	5,626	45,847	471,785	509,093
Segment liabilities	177,874	184,356	190	743	178,064	185,099
Taxation liabilities	9	18	2,670	-	2,679	18
Total liabilities	177,883	184,374	2,860	743	180,743	185,117
Other segment information:						
Capital expenditures	6,032	8,786	-	-	6,032	8,786
Depreciation of plant and equipment	20,826	20,630	-	39	20,826	20,669
Gain on disposal of plant and equipment	-	-	(67)	-	(67)	-
Loss on disposal of plant and equipment	124	-	-	-	124	-
Impairment charge on plant and equipment	-	107	-	-	-	107
Impairment charge on assets held-for-sale	-	286	-	-	-	286
Net gain on disposal of jack-up rigs	-	63,710	-	-	-	63,710

## 26 OPERATING SEGMENTS (CONT'D)

### Geographical segments

The following table for the years ended 31 March 2014 and 2013 presents segment revenue and segment assets based on the geographical location of the drilling operations.

	ASIA		AFRICA		TOTAL CONSOLIDATED	
	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000
Segment Revenue						
Sales to external customers	-	-	<b>74,602</b>	377	<b>74,602</b>	377
Total revenue	-	-	<b>74,602</b>	377	<b>74,602</b>	377
Other geographical information:						
Non-current assets	-	44	<b>412,738</b>	431,295	<b>412,738</b>	431,339
Capital expenditures	-	4,475	<b>6,032</b>	4,311	<b>6,032</b>	8,786

Revenue of US\$74.6 million (2013 - US\$377,000) was derived from a single external customer. This revenue was attributable to the offshore drilling segment.

## 27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks included foreign currency risk, interest rate risk, market price risk, credit risk and liquidity risk.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

### 27.1 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group has transactional currency exposures arising from expenses that are denominated in a currency other than the respective functional currencies of group entities, primarily Singapore dollars (SGD), Euro (EUR), Central African Franc (CAF), Great Britain Pound (GBP) and Norwegian Kroner (NOK). The foreign currencies in which these transactions are denominated are mainly Great Britain Pound (GBP).

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.

# Notes to the Financial Statements

for the financial year ended 31 March 2014

## 27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### 27.1 Foreign currency risk (cont'd)

	31 MARCH 2014					
	USD US\$'000	CAF US\$'000	EUR US\$'000	SGD US\$'000	GBP US\$'000	OTHERS US\$'000
Trade and other receivables	24,056	19	367	277	10	5
Cash and bank balances	32,965	61	2	1,285	-	-
Borrowings	(157,913)	-	-	-	-	-
Trade and other payables	(16,345)	-	(248)	(2,267)	(1,235)	(56)
	<b>(117,237)</b>	<b>80</b>	<b>121</b>	<b>(705)</b>	<b>(1,225)</b>	<b>(51)</b>

	31 MARCH 2013					
	USD US\$'000	CAF US\$'000	EUR US\$'000	SGD US\$'000	GBP US\$'000	OTHERS US\$'000
Trade and other receivables	4,371	-	2,515	421	4,614	-
Cash and bank balances	63,331	153	10	716	-	3
Borrowings	(157,100)	-	-	-	-	-
Trade and other payables	(19,314)	-	(6,497)	(1,849)	(238)	(101)
	<b>(108,712)</b>	<b>153</b>	<b>(3,972)</b>	<b>(712)</b>	<b>4,376</b>	<b>(98)</b>

#### Sensitivity analysis

The following table demonstrates the sensitivity to a 5% (2013 - 5%) strengthening of USD against the following currencies at the end of reporting period would increase/(decrease) loss net of tax and equity:

	2014		2013	
	LOSS NET OF TAX US\$'000	EQUITY US\$'000	LOSS NET OF TAX US\$'000	EQUITY US\$'000
CAF	4	4	8	8
EUR	6	6	(199)	(199)
SGD	(35)	(35)	(36)	(36)
GBP	(61)	(61)	219	219
Others	(3)	(3)	(5)	(5)

A 5% (2013 - 5%) weakening of the USD against the above currencies as 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.

### 27.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

## 27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### 27.2 Interest rate risk (cont'd)

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.

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

	2014 US\$'000	2013 US\$'000
<b>Fixed rate instruments</b>		
Senior bonds - secured	<b>157,913</b>	157,100

#### Sensitivity analysis

A 1% point increase in interest rate would increase the Group's loss net of tax by approximately US\$1.6 million (2013 - US\$1.6 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.

### 27.3 Market 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 does not hold any quoted or marketable financial instruments, hence, is not exposed to any movement in market prices.

### 27.4 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, cash and bank balances, the Group 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 doubtful debts that represents its estimates of incurred losses in respect of trade and other receivables. The collective loss is determined based on historical data of payment statistic for similar financial assets. Further details of credit risks on trade and other receivable are disclosed in Note 8.

#### Credit risk concentration profile

The Group determines concentration of credit risk by monitoring its trade receivables on an on-going basis. The Group's trade receivables comprise 1 receivable (2013 - 1 receivable) that represented 100% of trade receivables.

# Notes to the Financial Statements

for the financial year ended 31 March 2014

## 27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### 27.5 Liquidity risk

Liquidity or funding risk is the risk that the Group 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 2014			
	CARRYING AMOUNT US\$'000	CONTRACTUAL CASH FLOWS US\$'000	LESS THAN 1 YEAR US\$'000	BETWEEN 2-5 YEARS US\$'000
<b>Non-derivative financial liabilities</b>				
Interest-bearing borrowings	(157,913)	(211,209)	(21,318)	(189,891)
Trade and other payables	(20,151)	(20,151)	(20,151)	-
	<b>(178,064)</b>	<b>(231,360)</b>	<b>(41,469)</b>	<b>(189,891)</b>

	31 MARCH 2013			
	CARRYING AMOUNT US\$'000	CONTRACTUAL CASH FLOWS US\$'000	LESS THAN 1 YEAR US\$'000	BETWEEN 2-5 YEARS US\$'000
<b>Non-derivative financial liabilities</b>				
Interest-bearing borrowings	(157,100)	(226,747)	(21,465)	(205,282)
Trade and other payables	(27,999)	(27,999)	(27,999)	-
	<b>(185,099)</b>	<b>(254,746)</b>	<b>(49,464)</b>	<b>(205,282)</b>

The fair value of the callable senior bonds-secured as at the end of the financial year was US\$147.6 million (2013 - US\$143.4 million).

## 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.

The carrying amount of financial assets and liabilities with a maturity of more than one year is not reasonable approximation of fair value. The fair value of the callable senior bonds-secured as at the end of the financial year was US\$147.6 million (2013 - US\$143.4 million).

## 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:

- (a) To safeguard the Group's ability to continue as a going concern;
- (b) To support the Group's stability and growth;
- (c) To provide capital for the purpose of strengthening the Group's risk management capability; and
- (d) To provide an adequate return to shareholders.

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 bank balances.

	2014 US\$'000	2013 US\$'000
Borrowings	<b>157,913</b>	157,100
Less: Cash and bank balances	<b>(34,313)</b>	(64,213)
Net debt	<b>123,600</b>	92,887
Shareholder's equity	<b>294,771</b>	327,142
Gearing ratio	<b>0.4</b>	0.3

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.

# Statistics of Shareholdings

As at 24 June 2014, the shareholdings of the Company were as follows:

## SHARE CAPITAL

Number of shares	: 4,226,796,724
Class of shares	: Ordinary
Voting Rights	: 1 vote per ordinary share

## 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	3,415,218,035	-
Ashmore Global Special Situations Fund 2 Limited	-	3,415,218,035
Ashmore Global Special Situations Fund 4 Limited Partnership	-	3,415,218,035
Asset Holder PCC No.2 Limited re Ashmore Asian Recovery Fund	-	3,415,218,035
Ashmore Investment Management Limited	-	3,415,218,035
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 24 June 2014, approximately 13.29% 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	8,082	49.03	2,867,356	0.07
1,000 – 10,000	5,575	33.82	21,567,285	0.51
10,001 – 1,000,000	2,754	16.71	251,474,972	5.95
1,000,001 and above	73	0.44	3,950,887,111	93.47
Total:	16,484	100.00	4,226,796,724	100.00

**TWENTY LARGEST SHAREHOLDERS**

NO.	NAME	NO. OF SHARES	%
1	DBS Nominees (Private) Limited	3,423,357,786	80.99
2	Hygrove Investments Limited	242,784,478	5.74
3	Cyber Express Enterprises Limited	40,000,000	0.95
4	OCBC Securities Private Limited	34,947,198	0.83
5	United Overseas Bank Nominees (Private) Limited	19,948,766	0.47
6	Phillip Securities Pte Ltd	14,261,668	0.34
7	Yap Chin Kok	10,000,000	0.24
8	Chew Suyin	7,598,000	0.18
9	HSBC (Singapore) Nominees Pte Ltd	7,432,040	0.18
10	Lee Mee Kium	6,738,341	0.16
11	UOB Kay Hian Private Limited	6,058,560	0.14
12	Tan Heng	5,600,000	0.13
13	Morgan Stanley Asia (Singapore) Securities Pte Ltd	4,959,000	0.12
14	Cheng Yin Mui	4,875,080	0.12
15	Maybank Nominees (Singapore) Private Limited	4,874,000	0.12
16	Phillip Jeffrey Saile	4,624,000	0.11
17	Lim Beak Leang	4,384,000	0.10
18	Rajesh Kumar Lodha	4,250,000	0.10
19	OCBC Nominees Singapore Private Limited	4,004,599	0.09
20	Phong Chong Yee	4,000,000	0.09
Total:		3,854,697,516	91.20

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# Notice of Annual General Meeting

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**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at GV Vivocity 1 HarbourFront Walk #02-30 Vivocity Singapore 098585 on Friday, 25 July 2014 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 2014 together with the reports of the Directors and Auditors thereon. **(Resolution 1)**
2. To re-elect Mr David Chia, a Director who retires by rotation pursuant to Article 91 of the Company's Articles of Association (*See Explanatory Note (i)*). **(Resolution 2)**
3. To re-elect Mr Phillip Jeffrey Saile, a Director who retires by rotation pursuant to Article 91 of the Company's Articles of Association (*See Explanatory Note (ii)*). **(Resolution 3)**
4. To approve Directors' fees of S\$362,000 for the financial year ending 31 March 2015 ("FY2015") to be paid on a current year basis, quarterly in arrears (*See Explanatory Note (iii)*). **(Resolution 4)**
5. To re-appoint Foo Kon Tan Grant Thornton LLP as Auditor and to authorise the Directors to fix their remuneration. **(Resolution 5)**
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. SHARE ISSUE MANDATE**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "Companies Act") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), 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,

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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) shall 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 (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued shares in the capital of the Company excluding treasury shares (as calculated in accordance with paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (i) new shares arising from the conversion or exercise of any Instruments;
  - (ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution; and
  - (iii) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the 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
- (4) (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 (See Explanatory Note (iv)). **(Resolution 6)**

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 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 (See Explanatory Note (v)). **(Resolution 7)**

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# Notice of Annual General Meeting

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## 9. RENEWAL OF SHARE BUY-BACK MANDATE

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act (Cap. 50) of Singapore (the "Companies Act"), the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares ("Share Buy-Backs") in the capital of the Company ("Shares") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:-

- (i) on-market Share Buy-Backs (each an "On-market Share Buy-Back") transacted on the Singapore Exchange Securities Trading Limited ("SGX-ST"); and/or
- (ii) off-market Share Buy-Backs (each an "Off-market Share Buy-Back") effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the directors of the Company ("Directors") as they consider fit, which schemes shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with the applicable provisions of the Companies Act and the Listing Manual, be and is hereby authorised and approved generally and unconditionally (the "Share Buy-Back Mandate");

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

- (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
- (ii) the date on which the Share Buy-Backs are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by the Company in general meeting;

(c) in this Resolution:

"Prescribed Limit" means 10% of the total number of Shares as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time);

"Relevant Period" means the period commencing from the date of the passing of this Resolution and expiring on the date the next Annual General Meeting is held or is required by law to be held, whichever is the earlier, after the date of this Resolution;

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

- (i) in the case of an On-market Share Buy-Back, 5% above the average of the closing market prices of the Shares over the last 5 market days on the SGX-ST on which transactions in the Shares were recorded, immediately preceding the day of the On-market Share Buy-Back by the Company, and deemed to be adjusted for any corporate action that occurs after such 5-day period; and

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(ii) in the case of an Off-market Share Buy-Back pursuant to an equal access scheme, 20% above the average of the closing market prices of the Share over the last 5 market days on the SGX-ST on which transactions in the Shares were recorded, immediately preceding the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price for each Share and the relevant terms of the equal access scheme for effecting the Off-market Share Buy-Back, and deemed to be adjusted for any corporate action that occurs after such 5-day period; and

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary or expedient to give effect to the transactions contemplated by this Resolution (See *Explanatory Note (vi)*).

**(Resolution 8)**

#### 10. RENEWAL OF IPT MANDATE

That:

(a) approval be and is hereby given for the Company, its subsidiaries and associated companies or any of them to enter into any of the transactions falling within the categories of Interested Person Transactions described in the addendum to this Annual Report ("Addendum") , with any party who is of the class or classes of Interested Persons described in the Addendum, provided that such transactions are made on normal commercial terms in accordance with the guidelines and procedures for review and administration of the Interested Person Transactions as described in the Addendum (the "IPT Mandate");

(b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next Annual General Meeting of the Company.

(c) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the SGX-ST Listing Manual which may be prescribed by the SGX-ST from time to time; and

(d) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution (See *Explanatory Note (vii)*).

**(Resolution 9)**

By order of the Board

Ng Joo Khin  
Company Secretary  
9 July 2014

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.

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# Notice of Annual General Meeting

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## EXPLANATORY NOTES

- (i) Mr David Chia is the Lead Independent Director of the Company. He is also the Chairman of the Audit Committee, and is a member of the Nominating Committee and Remuneration Committees.
- (ii) Mr Philip Jeffrey Saile is a Non-Executive Non-Independent Director of the Company.
- (iii) This is to facilitate the payment of Directors' fees during the financial year in which the fees are incurred. The Directors' fees will be paid quarterly in arrears. The aggregate amount of Directors' fees provided in the resolution is calculated on the assumption that all the Directors will hold office for the whole of FY2015. Should any Director hold office for only part of FY2015 and not the whole of FY2015, the Director's fee payable to him will be appropriately pro-rated.
- (iv) Ordinary Resolution 6, if passed, will authorise the Directors, from the date of this Annual General Meeting up to the date of the next Annual General Meeting or the date by which the next Annual General Meeting is required by law to be held, to issue shares, make or grant instruments (such as warrants or debentures) convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding 50% of the total number of issued shares in the capital of the Company, of which up to 20% may be issued other than on a pro rata basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued 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 (a) new shares arising from the conversion or exercise of any convertible securities; (b) new shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time that this Resolution is passed; and (c) any subsequent bonus issue, consolidation or subdivision of shares.
- (v) Ordinary Resolution 7, if passed, will empower the Directors to issue shares on the exercise of options granted under the Jasper Share Option Plan and the vesting of awards under the Jasper Share Incentive Plan (collectively with the Jasper Share Option Plan, the "Plans") not exceeding (for the entire duration of the Plans) 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time. The Plans will expire on 30 July 2019 unless extended by the Company in general meeting.
- (vi) Ordinary Resolution 8, if passed, will empower the Directors from the date of this Annual General Meeting up to the date of the next Annual General Meeting to purchase or otherwise acquire the Company's issued shares by way of market purchases or off-market purchases subject to and in accordance with the terms set out in the Addendum to the Annual Report, the SGX-ST Listing Manual and such other laws and regulations as may for the time being applicable.
- (vii) Ordinary Resolution 9, if passed, will empower the Company its subsidiaries and associated companies to enter into transactions with interested persons as defined in Chapter 9 of the Listing Manual of the SGX-S from the date of this Annual General Meeting up to the date of the next Annual General Meeting. Please refer to the Addendum to the Annual Report for further information.

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# JASPER INVESTMENTS LIMITED

(Incorporated in the Republic of Singapore)  
(Co. Reg. No. 198700983H)

## IMPORTANT:

1. 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 the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting as observers must submit their requests through their CPF Approved Nominees within the time frame specified. If they also 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.

## PROXY FORM – ANNUAL GENERAL MEETING

I/We \_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

being a member/members of JASPER INVESTMENTS LIMITED (the "Company") 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 Annual General Meeting of the Company to be held on Friday, 25 July 2014, 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 David Chia				
3.	Re-election of Mr Phillip Jeffrey Saile				
4.	Approval of Directors' Fees for FY2015				
5.	Re-appointment of Auditor				
6.	Share Issue Mandate				
7.	Authority to issue shares under the Jasper Share Option Plan and Jasper Share Incentive Plan				
8.	Renewal of the Share-Buy-Back Mandate				
9.	Renewal of Interested Person Transactions Mandate				

\* 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 \_\_\_\_\_ 2014

Total number of shares

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

IMPORTANT: PLEASE READ NOTES OVERLEAF



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## 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

Tel: 65 6303 5500

Fax: 65 6557 2313

[www.jasperinvests.com](http://www.jasperinvests.com)

Company Registration No.: 198700983H