



Jasper Investments Limited Annual Report 2006

**Jasper Investments Limited**  
(Company Registration No. 198700983H)

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To collaborate with  
emerging Asian enterprises  
in developing their businesses  
to their full potential,  
and by supporting them with  
expert know-how,  
global business connections  
and access to funds.

# Mission



## Corporate Information

### BOARD OF DIRECTORS

Glenn Yusuf (Non-Executive Chairman)  
Geoffrey Yeoh (Executive Director)  
Eddy Sariaatmadja  
Eytan Uliel  
Heng Chiang Meng  
Steven Simpson  
Thio Su Mien

### AUDIT COMMITTEE

Heng Chiang Meng (Chairman)  
Steven Simpson  
Thio Su Mien

### NOMINATING COMMITTEE

Thio Su Mien (Chairman)  
Eddy Sariaatmadja  
Heng Chiang Meng

### REMUNERATION COMMITTEE

Thio Su Mien (Chairman)  
Glenn Yusuf  
Eddy Sariaatmadja

### COMPANY SECRETARY

Christine Chan, LLB (Hons)

### REGISTRAR

Lim Associates (Pte) Ltd  
10 Collyer Quay #19-08  
Ocean Building  
Singapore 049315

### AUDITORS

Foo Kon Tan Grant Thornton  
Certified Public Accountants  
47 Hill Street #05-01/04  
Chinese Chamber of Commerce & Industry Building  
Singapore 179365

### *Partner-in-charge*

Kon Yin Tong  
(appointed since financial year ended 31 March 2005)

### REGISTERED OFFICE

30 Raffles Place  
#20-01 Caltex House  
Singapore 048622  
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Co. Reg. No.: 198700983H

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Jasper Investments Limited is an investment holding company listed on the SGX Mainboard that invests in growth enterprises in the Asia-Pacific region.

Leveraging on its principal shareholder, Jasper Investments Limited is able to bring worldwide expertise, network and resources of the UK-based Ashmore Group to its partners in the region. Renowned as one of the largest emerging fund specialists in the world, the Ashmore Group has over US\$20 billion worth of funds under its management.

Jasper, a precious stone that possesses qualities of durability and toughness, is sometimes referred to as a foundation stone. Ascribing the same qualities to its mission, Jasper Investments Limited seeks to complement emerging enterprises by providing them with a strong and resilient foundation upon which they can grow their businesses and develop them to their full potential.



## Chairman's Statement

The financial year 2006 had been eventful for your Company. It took on a new substantial shareholder and changed its strategic direction and business focus.

The change was necessary if not inevitable. For several years now, your Company had been challenged by a protracted downturn in the building and construction business and its consequent effects on the Group's resources, which were severely strained.

The restructuring that was needed to rid the Group of loss-makers and to put it on a firmer foundation has been carried out. I am glad to report that we can approach financial year 2007 with a sense of anticipation, for a new beginning and a new purpose.

### **NEW CONTROLLING SHAREHOLDER AND NAME CHANGE**

In September 2005, the Ashmore Group ("Ashmore") of the UK, through Morton Bay (Holdings) Pte Ltd ("Morton Bay"), bought a 47.5% stake in the Company for \$15 million, making it the single largest shareholder. The stake came by way of a placement of 3.5 billion new ordinary shares at \$0.0043 per share. In addition, Morton Bay holds options for another \$7.9 million worth of shares, which when exercised, will bring its shareholding to 54.8%.

Ashmore is the world's largest dedicated emerging markets fund manager, with assets under management of more than US\$20 billion. It invests in a range of emerging market credits, equity and special corporate situations. Its award-winning funds have consistently outperformed relevant benchmarks since Ashmore's inception in 1992.

With Ashmore's entry, your Board and management started charting a new direction for the Company, one that can leverage on Ashmore's expertise, global network and connections.

The new charter — to invest in enterprises with growth potential in the Asia-Pacific region — led to a name change to Jasper Investments Limited. The change of name was approved by shareholders at an Extraordinary General Meeting on 23 March 2006.

Why Jasper? Jasper is derived from the name of a gemstone that possesses qualities of durability and toughness. The Board felt that these qualities aptly describe the Company's latest mission, which is to provide a firm, resilient and durable foundation for the businesses it invests in.

### **FUTURE PROSPECTS**

Financially, Jasper is well placed to seize investment opportunities in the growing economies of the Asia-Pacific region. It has little gearing and a useful cash holding of \$25.9 million. By tapping into the global resources of Ashmore, your Board is confident, barring unforeseen circumstances, that the Company will be able to make headways in its new mission to build up a portfolio of growth enterprises across the region.

The management and Board of Jasper are committed to the goal of delivering sustainable value to our shareholders.

On behalf of the Board of Directors, I would like to thank our shareholders, employees, suppliers and customers for their past and continuing support, and for their patience when we went through a difficult period of change in recent years.

**Glenn Yusuf**  
Chairman



## Board of Directors

### Glenn Yusuf

(Chairman & Non Independent  
Non-Executive Director)

Mr Glenn Yusuf holds a Bachelor of Arts in Economics from the University of Philippines and a Masters in Business Administration from the Asian Institute of Management.

Mr Yusuf was previously the Chairman of the Assistance Team to the Minister of Finance of the Republic of Indonesia. He was also the Chairman of the Indonesian Bank Restructuring Agency ("IBRA") from 1998 to 2000, and the Director-General of Financial Institutions of the Ministry of Finance of Indonesia in 1998.

Mr Yusuf has also worked in several banks and financial institutions. From 1995 to 2001, Mr Yusuf was the President of PT Danareksa (an Indonesian state-owned investment bank) and was the Managing Director of PT Bahana Pembinaan Usaha Indonesia from 1994 to 1995. He also held various executive positions leading to Finance Director while he was with Bank Niaga in Indonesia from 1985 to 1994. Mr Yusuf was with Citibank N.A., Jakarta from 1981 to 1985.

Mr Yusuf is presently the President Director of PT PP London Sumatra Indonesia Tbk ("Lonsum") and a commissioner of PT Surya Citra Media Tbk ("SCM"). SCM is the publicly listed holding company of SCTV, the 3rd largest television network in Indonesia.

### Eddy Sariaatmadja

(Non Independent Non-Executive Director)

Mr Eddy Sariaatmadja's background is in information technology and telecommunications. In 1982, Mr Sariaatmadja founded the PT Elang Mahkota Teknolgi Group whose businesses include provision of IT services to the banking sector, internet broadband service provider and the provision of telecommunication infrastructure in Indonesia. He is also a commissioner of Lonsum and SCTV.

Mr Sariaatmadja holds a Bachelor of Engineering (Honours) in Civil Engineering and a Master of Engineering Science from the University of New South Wales, Australia.

### Geoffrey Yeoh

(Executive Director)

Mr Geoffrey Yeoh holds a Bachelor of Science in Economics, First Class Honours, from The London School of Economics and is a Fellow of the Association of Chartered Certified Accountants, UK.

Mr Yeoh also has extensive experience in the banking and financial sector. Prior to joining the Group in 1996, Mr Yeoh was a Senior Vice President with the United Overseas Bank Limited since 1990, overseeing the Corporate Banking and Corporate Finance Divisions. He was also a Vice President with Chase Manhattan Bank, NA from 1980 to 1990 with assignments in Singapore, New York, Hong Kong and Jakarta.

Mr Yeoh currently sits on the boards of Vibropower Corporation Ltd, PCA Technology Ltd, ASJ Holdings Limited and Daka Designs Limited.

### Eytan Uliel

(Non Independent Non-Executive Director)

Mr Eytan Uliel has more than 10 years' experience in investment banking and law. He commenced his career as a corporate lawyer, practising for 4 years at a leading Australian national law firm prior to moving into corporate advisory / investment banking.

Mr Uliel has significant experience in mergers and acquisitions, capital raising transactions and related corporate advisory work. He also has broad experience in direct investments and is often involved at management and board level in investee companies.

Mr Uliel is the Managing Director of Carnegie, Wylie & Company (Asia) Pte Ltd, the Singapore office of an Australian-based investment advisory and private equity firm, Carnegie, Wylie & Company Pty Limited ("CWC"). He is also the Chairman of Easycall Limited, a company listed on the Australian Stock Exchange ("ASE") and the SGX. He is also Chairman of the audit committee and a director of CH4 Gas Limited, a company listed on the ASE. He also holds directorships of a number of other privately held CWC investee companies.

Mr Uliel holds a Bachelor of Arts in Political Science and a Bachelor of Laws Degree from the University of New South Wales, Australia.

## Board of Directors

### Heng Chiang Meng

(Independent Non-Executive Director)

Mr Heng Chiang Meng has been a Director with the Group since 1996. He was a Member of Parliament from 1985 to 2001 and sat on various Parliamentary committees covering Government Estimates, transport, communications, the arts and environment. He is currently Chairman of the Singapore Environment Council and a Board member of the National Environment Agency.

Mr Heng has wide experience in the corporate world including being Managing Director and Group CEO of Lim Kah Ngam Limited; Executive Director of Far East Organization Group; and Managing Director of First Capital Corporation Limited

He also has more than 20 years in the banking and financial sector, having worked in Overseas Union Bank Group, The Monetary Authority of Singapore and Citibank N.A.

He currently sits on the board of several listed companies including Orchard Parade Holdings Limited, Thakral Corporation Limited, Keppel Land Limited and Macquarie International Infrastructure Fund Limited.

### Steven Simpson

(Independent Non-Executive Director)

Mr Steven Simpson has extensive experience in direct investments and capital markets. He founded and is the Managing Director of Matrix Investment Advisor, LLC, a private equity investment group and Triton Advisory Group Pte Ltd, a boutique merger and acquisitions, capital markets group. He is also a director of C2C Pte Ltd, a company involved in the development of submarine cable networks.

He was also the President of Cybersia, Inc, an internet based database and publications business.

### Thio Su Mien

(Independent Non-Executive Director)

Dr Thio Su Mien is an Advocate and Solicitor of the Supreme Court of Singapore and is a Senior Executive Director of TSMP Law Corporation. She holds directorships in various companies including SIA Engineering Company Limited, MobileOne Limited and Manulife (Singapore) Pte. Ltd.

Dr Thio was a former Dean of the Faculty of Law at the University of Singapore and has held various positions in professional bodies and institutions. She has served on the Board of Legal Education and chaired one of the Disciplinary Committees set up by the Chief Justice. Dr Thio had also served as a Judge and Senior Vice President of the World Bank Administrative Tribunal and as a member of the Asian Development Bank Administrative Tribunal.



## Management Team

### Jessie Ong

(General Manager, ECI Corporation Pte Ltd)

Miss Jessie Ong joined the Group in 1979 and has held various appointments within the Group. Miss Ong has more than 24 years' experience in civil engineering and foundation work. She is currently the General Manager of ECI Corporation Pte Ltd. Miss Ong holds a Bachelor of Engineering (Hons) in Civil Engineering from Glasgow University, UK.

### Foo Hee Kang

(Managing Director, Resource Piling Pte Ltd)

Mr Foo Hee Kang co-founded Resource Piling Pte Ltd in 1989. Prior to this, he was an Engineering Service Officer in PWD for 5 years and a Project Manager with Bored Piling Pte Ltd for 7 years. Mr Foo holds a Bachelor of Civil Engineering from the University of Singapore and is a Professional Engineer in Singapore. He is also a member of the Institute of Engineers in Singapore (MIES).

### Lee Mee Kium

(Senior Manager, Corporate Development, Jasper Investments Limited)

Miss Lee Mee Kium joined the Group in December 1996. Prior to joining the Group, Miss Lee was with the United Overseas Bank Limited for 8 years, holding various positions in the Corporate Banking and Corporate Finance Divisions in the bank. Her last held position was Vice President, Corporate Finance. Miss Lee holds a Bachelor of Arts degree from the National University of Singapore.

### Shirley Teng

(Senior Accounting Manager, Jasper Investments Limited)

Miss Shirley Teng joined the Group in 1996 as Accounting Manager, where she was in charge of several subsidiaries' accounts in the Building Materials Division. She is currently the Senior Accounting Manager in Jasper Investments Limited, managing the operations of the accounting department and the group accounts. Prior to joining the Group, she had over 21 years of extensive accounting experience at management level. Miss Teng is a Fellow of the Association of International Accountants, UK.



# Operational & Financial Review of the Group

On 15 September 2005, the Company issued 3.5 billion new ordinary shares at \$0.0043 per share to Morton Bay (Holdings) Pte Ltd ("Morton Bay"), a company owned by a consortium of investors led by the Ashmore Group. Morton Bay was also granted a call option for the issue of 1.75 billion new shares at \$0.0045 per share.

The Ashmore Group is a London-based emerging market fund specialist with over US\$20 billion under current management.

On 31 October 2005, the Company issued 454.42 million new ordinary shares at \$0.015 per share to United Overseas Bank Limited, under the Company's scheme of compromise and arrangement approved by shareholders at an Extraordinary General Meeting held on 23 February 2005.

For its financial year ended 31 March 2006 ("FY2006"), the Group saw a 5% increase in turnover to \$21 million. However, gross margins declined by 9%, mainly due to higher material costs and price pressures on building products. In addition, costs were incurred in the closure of the building materials trading division in a subsidiary.

The Group achieved a profit after tax of \$1.3 million for FY2006, down from \$4.4 million the year before when profit was boosted by a \$3 million exceptional gain from the disposal of two subsidiaries.

## BUILDING SERVICES

### ECI Corporation Pte Ltd

Turnover of precast operations increased to \$16 million from \$11 million in the previous year due to a healthy demand in reinforced concrete piles for the construction of new industrial projects. The building materials trading operations, which contributed \$4 million in turnover was discontinued in December 2005. Profits dropped to \$0.4 million due to lower margins for the precast products and termination costs in the trading division.

### AL Technologies (S) Pte Ltd

The Group disposed its entire 78% shareholding of this loss-making entity in November 2005.

### Resource Piling Pte Ltd

This associate company continues to have strong business growth. Revenues increased by 68% to \$33 million against \$19 million in FY2005, due to higher activity for piling work for new housing and commercial projects. Share of profit from the associate totalled \$950,000.

## OTHER INCOME AND OTHER EXPENSES

Other income declined to \$3.7 million in FY2006. In the previous year, this amounted to \$7.3 million due to exceptional gains from the disposal of two subsidiaries. In FY2006, the Group recovered debts of \$3.2 million and a \$1.1 million write-back for a liability from a performance bond that expired. A provision of \$2.6 million was made for the impairment of value in investment in Econ Korea Investments Pte Ltd.

## Operational & Financial Review of the Group

### BALANCE SHEET

The Group's financial position is sound with a cash position of \$25.9 million. Part of the cash came from the subscription of new shares by the new investor.

The Group's capital and reserves grew to \$36.9 million as at 31 March 2006 against \$14 million as at 31 March 2005. This is due to (i) the issuance of new shares to the new investor which increased shareholders' funds by \$14.6 million in September 2005; and (ii) the conversion of a \$6.8 million loan owing to United Overseas Bank Limited, to shares in October 2005 pursuant to the Company's scheme of compromise and arrangement.

The Group's trade and other receivables declined from \$11 million to \$5 million in FY2006. This is due mainly to the return of advances from an associate and the amounts due from external parties which were transferred to fixed deposits.

Current liabilities declined due to (i) a fall in trade and other payables that resulted from a write-back of a liability from an expired performance bond; and (ii) the loans from a bank that had been converted to equity in the Company.

### PROSPECTS

The Company changed its name to Jasper Investments Limited to reflect its change in business focus to that of an investment holding company.

With the entry of the Ashmore Group, the Company will be able to capitalise on its worldwide expertise, network and resources to seek investments in growth enterprises in the Asia-Pacific region.

The Group continues to operate in the area of specialist building services pending new business acquisitions. For the specialist building services segment, the outlook is improving. Over the next few years, major commercial developments, residential and industrial projects should generate good demand for building services.



# Corporate Governance

The Company is committed to maintaining good standards of corporate governance so as to ensure greater transparency and accountability. This report ("Report") describes the Company's corporate governance practices and activities for the financial year ended 31 March 2006, with specific reference to the 2001 Code of Corporate Governance ("Code"). References to the principles are to those found in the Code.

The Board believes that the Company is in compliance with the Code in all material aspects and deviations from the Code are explained. Unless otherwise stated, the corporate governance processes were in place during the financial year.

## **BOARD MATTERS**

### **Responsibilities of the Board**

The Company is headed by an effective Board of Directors to lead and control its operations and affairs. The Board oversees the business affairs of the Company and sets overall strategies and direction. 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 and those involving conflicts of interest for a substantial shareholder or a director.

The Board meets at least semi-annually to review the Group's policies and procedures, acquisitions and disposals, performance of business 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 when necessary to deliberate on significant transactions and issues.

The number of Board and Board committee meetings held during the year and the attendance of directors at these meetings are disclosed at the end of this Report. The Company, however, believes that the contributions of the directors can be reflected in means other than by their attendance at such meetings. A director is appointed on the strength of his calibre, experience and his potential to contribute to the proper guidance of the Company and its businesses. His contributions can be in many forms, including management's access to him for guidance or exchange of views outside the formal environment of Board meetings and also his ability to bring relations which are strategic to the interests of the Group.

To facilitate the Board's decision-making process, the Company's Articles and Association also provides for directors to participate in Board meetings by conference telephone and similar communications equipment.

The Board delegates specific responsibilities to the Audit Committee, the Nominating Committee and the Remuneration Committee. In addition, the Board has also on 11 November 2005 established an Investment Committee which is delegated to review, manage and administer the businesses and investments of the Group. The Audit, Nominating and Remuneration Committees operate within specified terms of reference and have the authority to examine particular issues and report to the Board with their recommendations. Specific description of these Board Committees is set out further in this Report.

## Corporate Governance

Directors are briefed on the Group's operations and updated on relevant developments in the operating environment, including regulatory changes affecting the Group's businesses. Directors who are newly appointed are issued with materials concerning essential information and documents about the Group as well as information on relevant laws and regulations. Directors are also encouraged to constantly update or train themselves and information on relevant courses and seminars are forwarded to directors. Steps are taken to ensure that requisite formalities and procedures are observed and are in compliance with applicable laws and regulations.

### Composition of the Board

The Board has a strong and independent element with independent directors forming more than one third of the Board. The present Board comprises seven members – three independent non-executive directors, three non-independent non-executive directors, and one executive director. The Board has adopted the definition of what constitutes an independent director in the code.

During the year, five new directors were appointed in place of three who resigned. Given the refocus of the business of the Group following the completion of its financial restructuring, the new Board comprises directors of stature in the business community, and the Board's combined experience and expertise in the various fields (including finance, management, law, industry knowledge and strategic planning) will provide the leadership and dynamism for the Group in its new mission and vision.

In considering the business objectives of the Group and the scope and nature of its operations, the Board considers its current size and members whose core competencies, qualifications, skills and experience are extensive and complementary, to be adequate and appropriate. The size and composition of the Board will be reviewed periodically by the Nominating Committee to ensure that the Board has the appropriate mix of expertise and experience, adequate for the scale of operations of the Company. With its present composition and mix, the Board has sought to ensure that balanced and well considered decisions are made in the best interests of the Company.

In accordance with the practice of good governance, the roles of Chairman and Chief Executive Officer ("CEO") are separate. The Chairman of the Company, Mr Glenn Yusuf is a non-executive director and the CEO of the Company is Mr Geoffrey Yeoh. The separation of the roles is to ensure that the working of the Board and the executive responsibility of the Group's business are kept distinct, increasing the accountability and capacity of the Board for independent decision making. The Chairman and the CEO do not have any familial relationship with each other.

The Chairman, in consultation with the CEO, is responsible for all corporate governance procedures to be implemented by the Group and, together with the CEO, ensures that management conforms to such procedures. The Chairman is accountable to the Board and ensures a good working relationship between members of the Board and management. The CEO has full executive powers in the business and operations of the Group and is accountable to the Board.

### Board Membership

In accordance with the Company's Articles of Association, one-third of the Board is subject to re-election annually.

The Nominating Committee ("NC") comprises the following directors, all of whom, including the Chairman, are independent from management:

Dr Thio Su Mien (Chairman)  
Mr Eddy Sariaatmadja  
Mr Heng Chiang Meng

## Corporate Governance

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

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

In recommending to the Board the re-nomination and re-election of existing directors, the NC takes into consideration factors such as participation at Board and Board Committee meetings. More importantly, the NC recognizes the value of the individual to the Board and the Company, and his continued contribution to the needs of the Company and its business.

The NC is responsible for evaluating the effectiveness and performance of the Board as a whole taking into account the complementary and collective nature of the directors' contribution and of each individual director. Objective performance criteria such as the success of strategic and long term objectives, effectiveness of the Board in monitoring management's performance against set goals, contribution and participation at meetings will be included in the evaluation parameters.

The NC meets at least once a year and at such other times as may be necessary.

### ACCESS TO INFORMATION

Board members are provided with Board and Board Committee papers in advance of Board and Board Committee meetings. In addition, relevant information on material events and transactions are circulated to directors as and when they arise. Non-executive directors have separate, independent and unrestricted access to the management of the Company and the Company Secretary, who attends all Board and Board Committee meetings, and ensures that Board procedures are followed, and applicable laws and regulations are complied with, and vice versa.

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 the furtherance of their duties, seek independent professional advice, at the expense of the Company.

### REMUNERATION MATTERS

The Remuneration Committee ("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 senior management. The RC recommends to the Board a framework of remuneration for the directors serving on the Board and Board Committees and also senior executives. It is also responsible for reviewing management development and succession, and the overall compensation plans and recruitment strategies of the Group. The RC also administers the Jasper Share Option Scheme 1999 and the Jasper Performance Plan.

The RC consists of three members, all of whom, including the chairman, are independent from management. The members are:

Dr Thio Su Mien (Chairman)  
Mr Glenn Yusuf  
Mr Eddy Sariaatmadja

## Corporate Governance

In reviewing the remuneration of directors, the Board considers the market conditions, pay conditions within the industry as well as the Company's performance and the performance of directors. Save for the executive director, none of the directors have entered into service contracts with the Company.

The fees payable to non-executive directors are based on a remuneration framework comprising basic fees and additional fees for serving on the various Board Committees. Such fees are recommended as a lump sum payment for approval by shareholders at the annual general meeting of the Company.

The remuneration of senior executives takes into consideration their performance and value-add to the Group, giving due regard to the financial health and business needs of the Group. The Company adopts an overall remuneration policy for staff comprising a fixed component and a variable component. The fixed component is in the form of a basic salary. The variable component is in the form of a bonus that is linked to the performance of the Company and the respective entity in which the staff is employed as well as the performance of the individual.

The Code recommends that the remuneration of the Company's top five key executives who are not directors should be disclosed. To provide a broad perspective of the remuneration pattern of the Group while maintaining confidentiality of employees' remuneration, the table below shows a Group-wide cross section of executives' remuneration within bands of \$250,000.

### Key Executive Compensation Table

Remuneration Band	No. of Executives
Above \$500,000	-
\$250,000 to \$500,000	-
Below \$250,000	5

The following table shows a breakdown of the remuneration of the directors in percentage terms. The ranges of gross remuneration received for the financial year ended 31 March 2006 are disclosed in Note 30 of the Notes to the Financial Statements.

### Breakdown of Directors' remuneration in percentage terms

Directors	Salary	Bonus	Fees	Benefits	Total
Glenn Yusuf	-	-	100	-	100
Eddy Sariaatmadja	-	-	100	-	100
Geoffrey Yeoh	100	-	-	-	100
Eytan Uliel	-	-	100	-	100
Heng Chiang Meng	-	-	100	-	-
Steven Simpson	-	-	100	-	100
Thio Su Mien	-	-	100	-	100

There is no employee of the Company and its subsidiaries who is an immediate family member of any director whose remuneration exceeds \$150,000 during the financial year 2006.

### ACCOUNTABILITY AND AUDIT

#### Accountability of the Board and Management

The Board is accountable to the shareholders. It is the aim of the Board to provide shareholders with a balance and understandable assessment of the Company's and Group's performance, position and prospects when presenting the annual financial statements, announcements of the Group financial results, material transactions and other matters relating to the Group. This responsibility extends to interim and other price sensitive public reports and reports to regulators, where required. Although the Code recommends that such assessment of the Company's performance, position and prospects be given on a quarterly basis, the Board is of the opinion that given the current scope of operations of the Company, the present regularity of information flow to shareholders is sufficient.

The management is accountable to the Board. Management prepares balanced and understandable monthly management accounts. The non-executive directors have access to such information whenever necessary.

#### Audit Committee

The Audit Committee ("AC") comprises the following non-executive directors, all of whom including the chairman are independent.

Mr Heng Chiang Meng (Chairman)  
Mr Steven Simpson  
Dr Thio Su Mien

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

On the recommendation of the AC, the Board has during the financial year, approved arrangements whereby concerns of possible improprieties in matters of financial reporting or other matters may be raised in confidence to the AC. The objective for these arrangements is to ensure independent investigation of such matters and for appropriate follow-up. These arrangements have been posted on the Company's website.

The AC met two times during the year, with 100% attendance record by its members. The AC has full access to both the internal and external auditor and vice versa. The AC has met with the internal and external auditors without the presence of management, and reviewed the overall scope of both the internal and external audits, and the assistance given by management to the auditors.

The AC has reviewed all the non-audit services provided by the external auditors during the financial year and is satisfied with the independence and objectivity of the external auditors.

## Corporate Governance

The AC also has unrestricted access to management and has full discretion to invite other directors, the CEO or any executives to attend its meetings.

### Internal Audit

The function of the internal auditor ("IA") is to provide objective opinion 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 a Certified Public Accountants firm, which reports directly to the AC on audit matters. The IA plans its scope of internal audit work each year in consultation with the AC, and submits its annual internal audit plan to the AC for approval. The IA's approach is consistent with the standards required by the Institute of Internal Auditors.

### Internal Controls

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 IA carries out a review of the internal control systems on an on-going basis to provide assurances to the Board as to the adequacy of the internal control system. Material non-compliance and internal control weakness noted during the audit by the IA, and 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, the AC, on behalf of the Board, has reviewed the effectiveness of the Group's internal controls in the light of key business and financial risks affecting it. The Board is satisfied with the adequacy of the internal controls and risk management processes adopted by the Group, given the nature and size of the Group's business.

## COMMUNICATION WITH SHAREHOLDERS

The Company communicates information to shareholders and the investing community through announcements that are released to the SGX-ST via SGXNET. Such announcements include the half-year and full-year results, material transactions, and other developments relating to the Group requiring disclosure under the corporate disclosure policy of the SGX-ST. The Company also maintains a website [www.jasperinvests.com](http://www.jasperinvests.com) where the public can access information on the Group.

All shareholders of the Company are sent the Annual Report with notice of the Annual General Meeting ("AGM"). The notice of AGM setting out the items of business to be transacted at the AGM is also advertised in the newspapers.

## Corporate Governance

The Company's main forum for dialogue with shareholders takes place at its AGM, whereat members of the Board, senior management and the external auditors are in attendance. At the AGM, shareholders are given the opportunity to air their views and ask questions regarding the Company. The Articles of Association allow a shareholder to appoint one or two proxies to attend and vote at general meetings in his/her stead.

At the AGM, shareholders are encouraged to participate in the question and answer session. Board members, chairmen of the AC, NC and RC are also available to answer queries from shareholders.

### ADDITIONAL INFORMATION

#### Dealing in Securities

The Company has adopted an internal policy with respect to dealings in securities modelled on the SGX-ST Best Practices Guide. Directors and staff are to refrain from dealing in the securities of the Company during the periods commencing one month before and up to the date of announcement of the Company's half-year and full-year results, or while in possession of material price sensitive non-public information. They are also encouraged not to deal on considerations of a short-term nature.

#### Interested Person Transactions

No interested person transactions (as defined in Chapter 9 of the Listing Manual of the SGX-ST) were entered into during the financial year under review. Accordingly, there is no disclosure to be made under Rule 907 of the Listing Manual.

#### Attendance at Board & Board Committees

	Board		Audit		Remuneration		Nominating	
	No. of Meetings Held <sup>6</sup>	No. of Meetings Attended	No. of Meetings Held <sup>6</sup>	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Directors								
Mr Glenn Yusuf <sup>1</sup>	2	2	NA	NA	1	1	NA	NA
Mr Eddy Sariaatmadja <sup>2</sup>	2	2	NA	NA	1	1	1	1
Mr Geoffrey Yeoh	4	4	NA	NA	NA	NA	NA	NA
Mr Eytan Uliel <sup>3</sup>	3	2	NA	NA	NA	NA	NA	NA
Mr Heng Chiang Meng	4	4	2	2	NA	NA	1	1
Mr Steven Simpson <sup>4</sup>	2	2	1	1	NA	NA	NA	NA
Dr Thio Su Mien <sup>5</sup>	2	2	1	1	1	1	1	1

Notes:

1. Mr Glenn Yusuf was appointed as a Director on 15 September 2005.
2. Mr Eddy Sariaatmadja was appointed as a Director on 21 September 2005.
3. Mr Eytan Uliel was appointed as a Director on 26 July 2005.
4. Mr Steven Simpson was appointed as a Director on 21 September 2005.
5. Dr Thio Su Mien was appointed as a Director on 11 November 2005.
6. The number of meetings held refers to that held during the term of office of the respective directors.



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# Directors' Report

The Directors submit this annual report to the members together with the audited financial statements of the Group and balance sheet of the Company for the financial year ended 31 March 2006.

## 1. DIRECTORS

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

Glenn Yusuf - Chairman	<i>(appointed on 15.9.2005)</i>
Eddy Sariaatmadja	<i>(appointed on 21.9.2005)</i>
Geoffrey Yeoh	
Eytan Uliel	<i>(appointed on 26.7.2005)</i>
Heng Chiang Meng	
Steven Simpson	<i>(appointed on 21.9.2005)</i>
Thio Su Mien	<i>(appointed on 11.11.2005)</i>

## 2. ARRANGEMENT 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 the object of which 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 under "Share Option Scheme" in this report.

## 3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50, none of the Directors who held office at the end of the financial year had any interests in shares or debentures of the Company and its related corporations except as follows:

Name of Director	Direct Interest		Deemed Interest	
	At beginning of year/date of appointment, if later	At end of year	At beginning of year/date of appointment, if later	At end of year
<u>The Company - Ordinary shares</u>				
Glenn Yusuf	-	-	-	-
Eddy Sariaatmadja	-	-	-	-
Geoffrey Yeoh	1,040,000	1,040,000	-	-
Eytan Uliel	-	-	-	-
Heng Chiang Meng	2,000,000	2,000,000	-	-
Steven Simpson	2,000,000	2,000,000	-	-
Thio Su Mien	-	-	-	-

Save as disclosed, no Director who held office at the end of the financial year has an interest in shares or debentures of the Company or its subsidiaries. There was no change in any of the above-mentioned interests between the end of the financial year and 21 April 2006.

## Directors' Report

### 4. DIRECTORS' CONTRACTUAL BENEFITS

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

### 5. SHARE OPTION SCHEME

The Jasper Share Option Scheme 1999 ("1999 Scheme") was approved by the members of the Company at an Extraordinary General Meeting on 25 August 1999 ("EGM").

The 1999 Scheme provides the Company with a means whereby (a) employees of all ranks in the Group; and (b) certain categories of persons who, while not employed within the Group, work closely with the Group and/or the Company, are given an opportunity to share in the success and achievements of the Group to which they have contributed, through participation in the equity of the Company.

As at 31 March 2006, the aggregate number of share options granted under the 1999 Scheme was 14,014,000, out of which none remain outstanding. No options were granted with a discount to the market price of the shares at the time of the grant. No options were granted during the financial year to take up unissued shares of the Company.

### 6. UNISSUED SHARES UNDER OPTION

The Company underwent a scheme of compromise and arrangement, which was sanctioned by the High Court of Singapore on 23 April 2004 (the "Scheme"). On 15 March 2005, the Scheme became effective. Pursuant to the rules of the 1999 Scheme, the then outstanding (unexercised) share options granted under the 1999 Scheme lapsed and became null and void.

Pursuant to a placement agreement dated 26 July 2005, the Company had on 15 September 2005 allotted and issued 3,500,000,000 new ordinary shares to Morton Bay (Holdings) Pte Ltd ("Placee") at an issue price of \$0.0043 per share, credited as fully paid (the "Placement Issue").

In conjunction with the Placement Issue, the Company granted a call option ("Call Option") to the Placee to require the Company to allot and issue up to 1,750,000,000 new ordinary shares at an issue price of \$0.0045 per share. The Call Option is exercisable at any time and from time to time during the period of two years from the date of completion of the Placement Issue.

Save as mentioned above, there were no unissued shares of the Company or any subsidiaries under option as at 31 March 2006.

### 7. SHARE OPTIONS EXERCISED

No shares were issued during the financial year to which this report relates by virtue of the exercise of the options to take up unissued shares of the Company or any subsidiaries.

## 8. JASPER PERFORMANCE PLAN

At the EGM, the members of the Company also approved a performance-cum-incentive scheme known as the Jasper Performance Plan ("Performance Plan") for selected managers of the Company and its subsidiaries (including Directors of the Company performing executive functions) (collectively, "Participants"). The Performance Plan includes a share component (up to 90%) in the performance bonus pay out (the "Awards") of the Participants and is intended to complement the 1999 Scheme for this core group of executives. Awards represent the contingent right of the Participants to receive performance bonuses in cash or a combination of cash and shares free of charge, provided that performance targets are met.

No ordinary shares in the Company were allotted and issued to Participants of the Performance Plan for FY 2006. Since the commencement of the Performance Plan to 31 March 2006, an aggregate of 1,994,000 shares have been allotted and issued to Participants of the Performance Plan.

No Participants (including Directors of the Company) have received options granted pursuant to the 1999 Scheme and/or new shares awarded under the Performance Plan, which in aggregate represent 5% or more of the total number of shares available under the 1999 Scheme and the Performance Plan collectively.

No Participant of the 1999 Scheme or Performance Plan is a controlling shareholder of the Company or its associate (as those terms are defined in the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST")).

Since 11 November 2005, the 1999 Scheme and Performance Plan have been administered by the Remuneration Committee, whose members are:-

Thio Su Mien - Chairman (Independent Non-Executive Director)  
Glenn Yusuf - Member (Non-independent Non-Executive Director)  
Eddy Sariaatmadja - Member (Non-independent Non-Executive Director)

## 9. AUDIT COMMITTEE

The members of the Audit Committee are:

Heng Chiang Meng - Chairman (Independent Non-Executive Director)  
Thio Su Mien - Member (Independent Non-Executive Director)  
Steven Simpson - Member (Independent Non-Executive Director)

The Audit Committee performs, amongst others, the functions set out in the Companies Act, Cap. 50. In performing those functions, the Committee reviews:

- the audit plans of the Company's auditors and their evaluation of the systems of internal accounting controls arising from their audit examination, including assistance given by the Company's officers to the auditors;
- the scope and results of internal audit procedures;
- the balance sheet of the Company and the consolidated financial statements of the Group before their submission to the Board of Directors; and
- interested party transactions (as defined in the Listing Manual of the SGX-ST).

## Directors' Report

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

### 10. AUDITORS

The external auditors, Foo Kon Tan Grant Thornton, have expressed their willingness to accept re-appointment.

On behalf of the Board

GEOFFREY YEOH  
Director

EYTAN ULIEL  
Director

Dated: 19 June 2006



## Statement by Directors

In the opinion of the Directors,

- (a) the accompanying balance sheets, consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement, 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 2006 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
- (b) as 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

GEOFFREY YEOH  
Director

EYTAN ULIEL  
Director

Dated: 19 June 2006



# Auditors' Report

to the members of Jasper Investments Limited  
(formerly known as Econ International Limited)

We have audited the accompanying financial statements of Jasper Investments Limited (formerly known as Econ International Limited) ("the Company") and its subsidiaries ("the Group") for the year ended 31 March 2006. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

This report is made solely to the Company's members, as a body, in accordance with Section 207 of the Companies Act, Cap 50. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purposes. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's members as a body, for our audit, for this report, or for the opinions we have formed.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (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 2006 and the results, changes in equity and cash flows of the Group for the financial year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in the Republic of Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Foo Kon Tan Grant Thornton  
Certified Public Accountants

Singapore, 19 June 2006



# Balance Sheets

as at 31 March 2006

	Note	Group		Company	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
<b>Assets</b>					
<b>Non-Current</b>					
Property, plant and equipment	4	694	1,025	159	2
Available-for-sale financial assets	5	499	342	499	342
Subsidiaries	6	-	-	2,000	2,521
Associates	7	3,386	2,779	1,898	1,970
Joint venture	8	645	702	-	-
		5,224	4,848	4,556	4,835
<b>Current</b>					
Work-in-progress	9	1,985	946	-	-
Inventory	10	2,096	3,298	-	-
Trade and other receivables	11	5,005	11,857	3,435	11,081
Assets held for sale	12	-	2,585	-	2,585
Marketable securities	13	286	804	286	799
Cash and cash equivalents	14	25,864	1,516	25,349	904
		35,236	21,006	29,070	15,369
<b>Total assets</b>		40,460	25,854	33,626	20,204
<b>Equity</b>					
<b>Capital and Reserves</b>					
Share capital	15	28,892	3,875	28,892	3,875
Retained profits		2,057	695	3,788	3,401
Other reserves	16	5,913	9,471	628	4,210
		36,862	14,041	33,308	11,486
<b>Minority interests</b>		-	145	-	-
<b>Total equity</b>		36,862	14,186	33,308	11,486
<b>Liabilities</b>					
<b>Non-Current</b>					
Borrowings	17	-	58	-	-
Deferred tax liabilities	18	52	59	-	-
		52	117	-	-
<b>Current</b>					
Trade and other payables	19	3,139	4,539	318	1,902
Borrowings	17	150	6,839	-	6,816
Provision for taxation		257	173	-	-
		3,546	11,551	318	8,718
Total liabilities		3,598	11,668	318	8,718
<b>Total equity and liabilities</b>		40,460	25,854	33,626	20,204

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



# Consolidated Income Statement

for the year ended 31 March 2006

	Note	2006 \$'000	2005 \$'000
Revenue	3	21,231	20,138
Cost of sales		(18,265)	(15,546)
Gross profit		2,966	4,592
Distribution costs		(484)	(396)
Administrative expenses		(3,180)	(3,971)
Finance cost:			
Interest income	20	394	44
Interest expense	21	-	(9)
		394	35
Other expenses	22(a)	(2,785)	(4,024)
Other income	22(b)	3,662	7,257
Profit from associates and joint venture		1,002	910
Profit before taxation	23	1,575	4,403
Taxation	24	(270)	(31)
Profit after taxation		1,305	4,372
Attributable to:			
Equity holders of the Company		1,362	4,360
Minority interest		(57)	12
		1,305	4,372
Earnings per share	25	Cents	Cents
Basic profit per share		0.023	0.113
Diluted profit per share		0.022	0.113

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



## Consolidated Statement of Changes in Equity

Group	Share capital \$'000	Share premium \$'000	Other reserve \$'000	Share option reserve \$'000	Exchange translation reserve \$'000	Total other reserves \$'000	(Accumulated losses)/ profits		Minority interest \$'000	Grand total \$'000
							retained profits \$'000	Total \$'000		
Balance at 1 April 2004	110,937	66,462	4,524	-	746	71,732	(222,783)	(40,114)	466	(39,648)
Currency translation difference	-	-	-	-	(9)	(9)	-	(9)	-	(9)
Issued during the year [Note 15(b)]	3,320	46,484	-	-	-	46,484	-	49,804	-	49,804
Capital reduction and EIL Scheme	(110,382)	(108,736)	-	-	-	(108,736)	219,118	-	-	-
Net profit for the year	-	-	-	-	-	-	4,360	4,360	12	4,372
Change in minority interest	-	-	-	-	-	-	-	-	(333)	(333)
Balance at 31 March 2005	3,875	4,210	4,524	-	737	9,471	695	14,041	145	14,186
Currency translation difference	-	-	-	-	24	24	-	24	-	24
Issued during the year	3,954	17,912	-	-	-	17,912	-	21,866	-	21,866
Reclassification of share premium account	21,063	(21,063)	-	-	-	(21,063)	-	-	-	-
Reclassification to option reserve	-	(628)	-	628	-	-	-	-	-	-
Placement costs	-	(431)	-	-	-	(431)	-	(431)	-	(431)
Net profit for the year	-	-	-	-	-	-	1,362	1,362	(57)	1,305
Change in minority interest	-	-	-	-	-	-	-	-	(88)	(88)
Balance at 31 March 2006	28,892	-	4,524	628	761	5,913	2,057	36,862	-	36,862

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



# Consolidated Cash Flow Statement

for the year ended 31 March 2006

	2006 \$'000	2005 \$'000
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	1,575	4,403
Adjustments for:		
(Write back)/crystallisation of performance bonds	(1,082)	168
Depreciation of property, plant and equipment	268	366
Exchange difference on translation	24	51
Interest expense	-	9
Interest income	(394)	(44)
Intangible assets written off	141	102
Gain on disposal of property, plant and equipment	(4)	(47)
Loss/(gain) on disposal/deconsolidation of subsidiaries and joint ventures (Note B)	3	(3,055)
(Gain)/loss on disposal of marketable securities	(163)	16
Fair value gain on marketable securities	(29)	-
Write back in value of marketable securities	-	(155)
Impairment in value of associates	-	150
Impairment in value of joint venture	38	1,183
(Write back)/impairment of investment in - unquoted investments	(157)	157
- assets held for sale	2,748	1,786
Share of profit of associates and joint ventures	(1,002)	(910)
Operating profit before working capital changes	1,966	4,180
Decrease/(increase) in inventories	1,202	(585)
Increase in work-in-progress	(1,039)	(752)
Decrease/(increase) in operating receivables	6,142	(5,772)
Increase in operating payables	285	1,159
Cash generated from/(used in) operations	8,556	(1,770)
Income taxes recovered	-	315
Net cash generated from/(used in) operating activities	8,556	(1,455)
<b>Cash Flows from Investing Activities</b>		
Acquisition of property, plant and equipment (Note A)	(320)	(363)
Interest received	305	44
Proceeds from disposal of property, plant and equipment	51	86
Proceeds from disposal of marketable securities	705	391
Dividend from joint venture	57	-
Net cash inflow/(outflow) from disposal of subsidiaries (Note B)	225	(131)
Net cash generated from investing activities	1,023	27

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

**Consolidated Cash Flow Statement**  
for the year ended 31 March 2006

	2006 \$'000	2005 \$'000
<b>Cash Flows from Financing Activities</b>		
Interest paid	-	(9)
Issue of shares (Note C)	14,619	-
Loan obtained from bank	150	272
Repayment of finance lease instalments	-	(24)
Net cash generated from financing activities	14,769	239
Net increase/(decrease) in cash and cash equivalents	24,348	(1,189)
Cash and cash equivalents at beginning	1,516	2,705
Cash and cash equivalents at end (Note 14)	25,864	1,516

**Notes:**

**A. Acquisition of property, plant and equipment**

During the financial year, the Group acquired plant and equipment with an aggregate cost of \$320,000 (2005 - \$390,000) of which \$Nil (2005 - \$27,000) was acquired by means of finance lease. Cash payments of \$320,000 (2005 - \$363,000) were made to purchase plant and equipment.

**B. Disposal/Deconsolidation of subsidiaries and joint ventures**

The assets disposed of and liabilities discharged were as follows:

	2006 \$'000	2005 \$'000
<u>Net assets disposed of</u>		
Property, plant and equipment	425	3,249
Property, plant and equipment under assets held for sale	-	6,819
Marketable securities	5	-
Inventories	-	4,788
Cash and bank balances	99	986
Receivables	800	5,618
Payables	(776)	(14,009)
Bank borrowings	(81)	(1,463)
Term loans	-	(7,806)
Deferred tax liabilities	-	(30)
Provision for taxation	-	(19)
Minority interest	(145)	(333)
	327	(2,200)
(Loss)/gain on disposal (Note 22)	(3)	3,055
Sales proceeds	324	855
Cash and bank balances disposed of	(99)	(986)
Net cash inflow/(outflow) from disposal of subsidiaries	225	(131)

**C. Issue of shares**

	2006 \$'000	2005 \$'000
Issue of shares	21,435	-
Settlement via offsetting of borrowings	(6,816)	-
Cash consideration	14,619	-

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



# Notes to the Financial Statements

31 March 2006

## 1 GENERAL INFORMATION

The financial statements of the Group and the Company for the year ended 31 March 2006 were authorised for issue in accordance with a resolution of the Directors on 19 June 2006.

The Company is a limited liability company domiciled in the Republic of Singapore.

The registered office of the Company is located at 30 Raffles Place #20-01, Caltex House, Singapore 048622.

The principal activity of the Company is that of an investment holding company. The principal activities of the Company's subsidiaries are set out in Note 6 to the financial statements.

## 2(a) BASIS OF PREPARATION

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

### Significant accounting estimates and judgements

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

The critical accounting estimates and assumptions used and area involving a high degree of judgements is described below:

#### Income tax

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

#### Contract work-in-progress

Significant judgement is required in determining the estimated contract costs which includes an estimation of the variation works from the contractor and the estimated contract revenue. The Group estimates the contract costs based on costs incurred, appropriate proportion of overheads and the experience of qualified project managers. When the outcome of a long term contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable.

## 2(b) CHANGE IN ACCOUNTING POLICIES

During 2004, the CCDG issued a series of new and revised FRSs which is applicable from 1 January 2005 for which the Group and the Company applied these new and revised standards from 1 April 2005. This includes the following new and revised standards, which are relevant to the Group and the Company:

FRS 1 (revised 2004)	Presentation of Financial Statements
FRS 2 (revised 2004)	Inventories
FRS 8 (revised 2004)	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 10 (revised 2004)	Events after Balance Sheet Date
FRS 16 (revised 2004)	Property, Plant and Equipment
FRS 17 (revised 2004)	Leases
FRS 21 (revised 2004)	The Effects of Changes in Foreign Exchange Rates
FRS 24 (revised 2004)	Related Party Disclosures
FRS 27 (revised 2004)	Consolidated and Separate Financial Statements
FRS 28 (revised 2004)	Investment in Associates
FRS 31 (revised 2004)	Interests in Joint Ventures
FRS 32 (revised 2004)	Financial Instruments: Disclosures and Presentation
FRS 33 (revised 2004)	Earnings Per Share
FRS 36 (revised 2004)	Impairment of Assets
FRS 38 (revised 2004)	Intangible Assets
FRS 39 (revised 2004)	Financial Instruments: Recognition and Measurement
FRS 102	Share Based Payment
FRS 103	Business Combinations
FRS 105	Non-current Assets Held for Sale and Discontinued Operations
INT FRS 101	Changes in Existing Decommissioning, Restoration and Similar Liabilities

The adoption of the above FRSs and INT FRS did not result in substantial changes to the Group and the Company's accounting policies except as follows:

### Adoption of FRS 32 and FRS 39

The specific transitional provisions contained within FRS 32 and FRS 39 required the simultaneous adoption of both standards.

In accordance with the transitional provisions of FRS 32, all revised disclosure and presentation rules regarding financial instruments have been applied retrospectively.

In accordance with the transitional provisions of FRS 39, the adoption of the revised rules regarding accounting for financial instruments did not result in restating any comparatives.

#### (i) Financial assets at fair value through profit or loss

In the prior years, the Company's investments in marketable securities which were intended for sale in the short-term, were stated at the lower of cost and market value on an individual investment basis, with changes in market value included in the income statement.

In accordance with FRS 39, these investments are now classified in the "financial assets at fair value through profit or loss" category and are initially recognised at fair value and subsequently re-measured to fair value at the balance sheet with all gains and losses recognised in income statement in the period in which the change in fair value arises (see policy on financial assets – financial assets at fair value through profit or loss).

This change did not materially affect the financial statements for the year ended 31 March 2006.

## 2(b) CHANGE IN ACCOUNTING POLICIES (cont'd)

### (ii) Available-for-sale financial assets

In the prior years, the Company's investments which were held on a long-term basis were stated at cost less provision for diminution in value (on an individual basis) that was other than temporary which was charged to the income statement when it arose. Any reversal of the provision was also included in the income statement.

On adopting FRS 39, these investments are now classified as "available-for-sale financial assets" and are initially recognised at fair value and subsequently recognised at fair values at the balance sheet date with all gains and losses other than impairment loss taken to equity. Impairment losses are taken to the income statement in the period it arises. On disposal, gains and losses previously taken to equity are included in the income statement (see policy on financial assets – available-for-sale financial assets).

This change did not materially affect the financial statements for the year ended 31 March 2006.

### FRS not effective

At the date of authorisation of these financial statements, the following FRSs listed below and other INT FRSs were issued but not effective:

FRS 39	Amendments to hedge accounting provisions of FRS 39 Financial Instruments Recognition and Measurement
FRS 40	Investment property
FRS 106	Exploration for and Evaluation of Mineral Resources
FRS 107	Financial instruments: Disclosures

The directors do not anticipate that the adoption of other FRSs and INT FRSs in the period of initial application will have a material impact on the financial statements.

## 2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Consolidation

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

The financial statements of the Group include the financial statements of the Company and its subsidiaries made up to the end of the financial year. All inter-company balances and significant inter-company transactions and resulting unrealised profits or losses are eliminated on consolidation and the consolidated financial statements reflect external transactions and balances only. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which the Group ceases to have control of the subsidiaries. Acquisitions of subsidiaries are accounted for using the purchase method of accounting.

Where accounting policies of a subsidiary do not conform to those of the Company, adjustments are made on consolidation when the amounts involved are considered significant to the Group.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. They are presented in the consolidated balance sheet within equity, separately from the parent shareholders' equity, and are separately disclosed in the consolidated income statement.

## 2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the income statement.

Dismantlement, removal or restoration costs are included as part of the cost of property, 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 property, plant and equipment.

Depreciation is computed utilising the straight-line method to write off the cost of these assets over their estimated useful lives as follows:

Leasehold property	over the remaining lease period
Plant and machinery	4 to 8 years
Motor vehicles	4 to 5 years
Equipment, furniture and fittings	3 to 10 years
Renovation	5 years

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

The carrying amounts of property, plant and equipment are reviewed yearly in order to assess whether their carrying amounts need to be written down to recoverable amounts. Recoverable amount is defined as the higher of value in use and net selling price.

Property, plant and equipment, which are held for sale, are classified as current assets.

### Financial assets

The Group and the Company classify its financial assets, other than hedging instruments, into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the financial 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 and the Company commit to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

## 2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

The Group and the Company carry on its balance sheet the following categories of financial assets as at the balance sheet date:

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

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or are designated by the entity to be carried at fair value through profit or loss upon initial recognition. In addition, derivative financial instruments that do not qualify for hedge accounting are classified as held for trading. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in income statement.

Financial assets are derecognised when the rights to the cash flows have expired or have been transferred, and the company has substantially transferred all risks and rewards of ownership.

Assets that fall within this financial assets category include marketable securities.

### 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 and the Company provide money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in income statement. Any reversal shall not result in a carrying amount that exceeds what the amortised cost would have been had any impairment loss not been recognised at the date the impairment is reversed. Any reversal is recognised in the income statement.

Receivables are provided against when objective evidence is received that the Group and the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Receivables that are factored out to banks with recourse to the Group and the Company are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from banks are recorded as borrowings.

Loans and receivables include trade and other receivables in the balance sheet.

## 2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Available-for-sale financial assets

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

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

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

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

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

Assets that fall within these financial assets category are investments held for long-term and club membership.

### Determination of fair value

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

### **Subsidiaries**

A subsidiary is defined as a company in which the investing Company has a long-term equity interest of more than 50%, or whose financial and operating policy decisions the Group controls.

Shares in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

### **Associates**

An associate is defined as a company, not being a subsidiary, in which the Group has a long-term interest of 20% to 50% of the equity and over whose financial and operating policies the Group exercises significant influence.

## 2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Investments in associates at company level are stated at cost. Allowance is made for any impairment losses on an individual company basis.

The Group's share of the results of associated companies is included in the consolidated income statement using the equity method of accounting.

If the Group's share of losses of an associate equals or exceeds the carrying amount of an investment, the Group ordinarily discontinues including its share of further losses and the investment is reported at nil value. Additional losses are provided for to the extent that the Group has incurred obligations or made payments on behalf of the associate to satisfy obligations of the associate that the investor has guaranteed or otherwise committed for example, in the forms of loans. If the associate subsequently reports profits, the Group resumes including its share of those profits only after its share of the profits equals the share of net losses recognised.

The Group's share of the net assets and post-acquisition retained profits and reserves of associates is reflected in the book values of the investments in the consolidated balance sheet.

Where the accounting policies of an associate do not conform to those of the Company, adjustments are made on consolidation when the amounts involved are considered significant to the Group.

### Joint ventures

A joint venture, not being a subsidiary or associate, is defined as a contractual arrangement between the Group and one or more parties to undertake an economic activity, which is subject to joint control or in which the Group has significant influence over the financial and operating policy decisions.

The Group has accounted for the joint venture using the equity method of accounting.

### Assets held for sale

Assets classified as "held for sale" are measured at the lower of their carrying amounts immediately prior to reclassification as held for sale, and their fair value less costs to sell. The profit or loss arising from any impairment or fair value adjustment is recognised in the income statement.

### Work-in-progress

When the outcome of a long term contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are recognised when incurred. When the outcome of a long term contract can be estimated reliably, contract revenue and contract costs are recognised by using the percentage of completion method. Contract costs comprise materials, direct labour, sub-contractors' cost and an appropriate proportion of overheads.

The percentage of completion is based on certification of construction work completed.

Work-in-progress is stated at cost plus attributable profit less progress billings. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as an asset. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as a liability.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately, irrespective of whether or not work has commenced.

## 2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes direct labour and a proportion of manufacturing overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

### Cash and cash equivalents

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

### Financial liabilities

The Group and the Company's financial liabilities include borrowings, finance lease liabilities and payables.

Financial liabilities are recognised when the Group and the Company become a party to the contractual agreements of the instrument. All interest related charges is recognised as an expense in "finance cost" in the income statement.

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

Borrowings which are due to be settled within twelve months after the balance sheet are included in current liabilities in the balance sheet even though the original terms was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the balance sheet date and before the financial statements are authorised for issue. Other borrowings due to be settled more than twelve months after the balance sheet date are included in non-current liabilities in the balance sheet.

Payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method. Payables include trade and the other payables in the balance sheet.

Finance lease liabilities are measured at initial value less the capital value less the capital element of lease repayments (see policy on finance leases).

### Leases

#### Finance leases

Where assets are financed by lease agreements that give rights approximating to ownership, the assets are capitalised as if they had been purchased outright at values equivalent to the present value of the total rental payable during the periods of the leases and the corresponding lease commitments are included under liabilities. The excess of the lease payments over the recorded lease obligations is treated as finance charges which are amortised over each lease to give a constant effective rate of charge on the remaining balance of the obligation.

## 2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

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

### **Income taxes**

The Group and the Company adopt the liability method of tax effect accounting. Current taxation is provided at the current taxation rate based on the tax payable on the income for the financial year that is chargeable to tax. Deferred taxation is provided at the current taxation rate on all temporary differences existing at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences (unless the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss). Deferred income tax is provided on all temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised (unless the deferred tax asset arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss).

The statutory tax rates enacted at the balance sheet date are used to determine deferred income tax.

Group tax relief is available for the Singapore incorporated holding company and all its Singapore incorporated subsidiaries with at least 75% equity ownership, directly or indirectly (excluding any foreign shareholdings in the ownership chain) held by Singapore incorporated companies within the Group. Current year's unabsorbed tax losses and capital allowances are available to be set off against taxable profit of profitable subsidiaries within the Group in accordance with the rules.

Loss-carry-back is available with effect from Year of Assessment 2006. Current year unabsorbed capital allowances and trade losses of up to \$100,000 incurred can be carried back and be set off against the assessable income of the year of assessment immediately preceding the year in which the capital allowance or trade loss arose. The loss carry-back will be given on due claim and subject to satisfaction of the substantial shareholding test and same business test.

### **Provisions**

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

## 2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Employee benefits

The Company and its Singapore incorporated subsidiaries contribute to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. These contributions to CPF are charged to the income statement in the period to which the contributions relate.

### Impairment of assets

The carrying amounts of the Group's and Company's assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

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

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

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

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

Any impairment loss is charged to the income statement.

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

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 is credited as income in the income statement.

### Revenue recognition

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

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

Revenue from long-term contracts is recognised on a percentage of completion method over the period taken to complete the work.

## 2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue from trading of building materials is recognised when goods are sold to customers which generally coincides with their delivery and acceptance.

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.

Retention money is recognised upon completion of contract less any provision for defect liability work.

### Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). The consolidated financial statements of the Group and the balance sheet of the Company are presented in Singapore dollars to the nearest thousand, which is also the functional currency of the Company.

### Conversion of foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange closely approximating those ruling at balance sheet date. Other transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Exchange differences arising from such transactions are recorded in the income statement in the period in which they arise.

Assets and liabilities of foreign subsidiaries and associates are translated at the rate of exchange ruling at the balance sheet date. The income statement of foreign subsidiaries and associates are translated using the average monthly rates. Foreign currency translation adjustments arising are recorded directly in exchange translation reserve.

### Financial instruments

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

Disclosures on financial risk management objectives and policies are provided in Note 32.

### Segment reporting

A segment is a distinguishable component of the Group within a particular economic environment (geographical segment) and to a particular industry (business segment) which is subject to risks and rewards that are different from those of other segments.

Inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

## 2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Segment information is presented in respect of the Group's geographical and business segments. The primary format, business segments, is based on the Group's management and internal reporting structure. In presenting information on the basis of business segments, segment revenue and segment assets are based on the nature of the products or services provided by the Group. Information for geographical segments is based on the geographical location of the principal places of business.

## 3 REVENUE

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

	Group	
	2006 \$'000	2005 \$'000
Contract revenue	2,697	3,980
Trading of goods	17,358	13,020
Services rendered	1,176	3,138
	<u>21,231</u>	<u>20,138</u>

## 4 PROPERTY, PLANT AND EQUIPMENT

	Leasehold property \$'000	Plant and machinery \$'000	Motor vehicles \$'000	Equipment, furniture and fittings \$'000	Total \$'000
Group					
Cost					
At 1 April 2004	737	9,292	784	2,870	13,683
Exchange adjustment	3	(11)	1	5	(2)
Additions	-	231	127	32	390
Disposals	-	(17)	(58)	(49)	(124)
Deconsolidation	(740)	(6,616)	(599)	(2,518)	(10,473)
At 31 March 2005	-	2,879	255	340	3,474
Exchange adjustment	-	-	-	-	-
Additions	-	138	-	182	320
Disposals	-	(46)	(11)	(36)	(93)
Deconsolidation	-	(2,203)	(192)	(287)	(2,682)
At 31 March 2006	-	768	52	199	1,019

4 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Leasehold property \$'000	Plant and machinery \$'000	Motor vehicles \$'000	Equipment, furniture and fittings \$'000	Total \$'000
Group					
Accumulated depreciation					
At 1 April 2004	115	7,002	563	1,714	9,394
Exchange adjustment	-	2	2	(6)	(2)
Depreciation for the year	-	286	46	34	366
Disposals	-	(3)	(34)	(48)	(85)
Deconsolidation	(115)	(5,197)	(470)	(1,442)	(7,224)
At 31 March 2005	-	2,090	107	252	2,449
Exchange adjustment	-	-	-	-	-
Depreciation for the year	-	210	31	27	268
Disposals	-	(6)	(3)	(36)	(45)
Deconsolidation	-	(2,013)	(121)	(213)	(2,347)
At 31 March 2006	-	281	14	30	325
Net book value					
At 31 March 2006	-	487	38	169	694
At 31 March 2005	-	789	148	88	1,025
		Office equipment \$'000	Renovation \$'000	Total \$'000	
Company					
Cost					
At 1 April 2004		85	-	85	
Additions		2	-	2	
Disposals		(48)	-	(48)	
At 31 March 2005		39	-	39	
Additions		74	97	171	
Disposals		(37)	-	(37)	
At 31 March 2006		76	97	173	

#### 4 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Office equipment \$'000	Renovation \$'000	Total \$'000
Accumulated depreciation			
At 1 April 2004	84	-	84
Depreciation for the year	1	-	1
Disposals	(48)	-	(48)
At 31 March 2005	37	-	37
Depreciation for the year	8	6	14
Disposals	(37)	-	(37)
At 31 March 2006	8	6	14
Net book value			
At 31 March 2006	68	91	159
At 31 March 2005	2	-	2

Net book values include assets under finance lease as follows:

	Group	
	2006 \$'000	2005 \$'000
Motor vehicles	-	91

#### 5 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group and Company	
	2006 \$'000	2005 \$'000
Club membership, at cost	50	160
Less:		
Diminution in value of club membership	-	(110)
	50	50
Other unquoted investments, at cost	449	449
Less:		
Diminution in value of other unquoted investments	-	(157)
	449	292
At fair value	499	342
Represented as		
Available-for-sale financial assets	499	342

The fair value of unquoted investments and club membership is determined by a willing buyer and a willing seller basis and transacted prices respectively.

## 6 SUBSIDIARIES

	Company	
	2006 \$'000	2005 \$'000
Unquoted shares, at cost	5,199	3,567
Less:		
Allowance for impairment	(3,199)	(1,046)
	2,000	2,521

The subsidiaries are as follows:

Name	Country of incorporation	Effective percentage of equity held		Principal activities
		2006 %	2005 %	
*** ECI Corporation Pte Ltd	Singapore	100	100	Manufacturing and trading of concrete products and investment holding
Ⓐ AL Technologies (S) Pte Ltd	Singapore	-	78	Geotechnical and building materials analysis services
* EI Enterprise Ltd	British Virgin Islands	100	100	Dormant
** PT Multi Tambangjaya Utama	Indonesia	95	80	Dormant

Ⓐ Subsidiary disposed of during the year.

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

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

\*\*\* Audited by Foo Kon Tan Grant Thornton.

## 7 ASSOCIATES

	Group		Company	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Unquoted shares, at cost	2,625	2,816	2,625	2,816
Less:				
Allowance for impairment	-	-	(727)	(846)
	2,625	2,816	1,898	1,970
Share of net post-acquisition profit/(loss)	761	(37)	-	-
	3,386	2,779	1,898	1,970

The associates are as follows:

Name	Country of incorporation	Effective percentage of equity held		Principal activities
		2006 %	2005 %	
Resource Piling Pte Ltd	Singapore	45	45	Foundation engineering works
<sup>a</sup> Econ AV Concepts Pte Ltd	Singapore	-	49	Trading of audio-visual equipment
* Econ Co. Ltd	Japan	&	49	Pipe-jacking specialist works

<sup>a</sup> Associate disposed of during the year.

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

& Reflected as assets held for sale (Note 12). Accordingly, the results of Econ Co. Ltd has not been equity accounted for in the Group's results. The investment has been written down to nil value.

The summary of the financial information of associate is as follows:

	2006 \$'000	2005 \$'000
Assets	16,453	16,665
Liabilities	8,927	10,953
Revenue	32,681	19,410
Profit before taxation	2,152	1,744
Taxation	397	418

## 8 JOINT VENTURE

	Group	
	2006 \$'000	2005 \$'000
Investment in unquoted shares in Joint Venture, at cost	1,609	1,609
Less:		
Allowance for impairment	(1,221)	(1,183)
	388	426
Share of net post-acquisition profit	257	276
	<u>645</u>	<u>702</u>

Name	Country of incorporation	Effective percentage of equity held		Principal activities
		2006 %	2005 %	
* Zhejiang Econ Foundation Engineering Co Ltd	China	55	55	Foundation and engineering works

\* Audited by ZheJiang Everbright Certified Public Accountant.

The summary of financial information by Joint Venture is as follows:

	2006 \$'000	2005 \$'000
Assets	4,615	4,983
Liabilities	2,073	1,236
Revenue	27,840	30,745
Profit before taxation	94	111
Taxation	<u>26</u>	<u>29</u>

Although the Group has a long-term equity interest of more than 50%, the Group does not control but only has significant influence over the financial and operating policy decisions of the Joint Venture.

## 9 WORK-IN-PROGRESS

	Group	
	2006 \$'000	2005 \$'000
Costs	8,949	5,303
Attributable profits	680	590
	9,629	5,893
Progress billings	(7,644)	(4,947)
	<u>1,985</u>	<u>946</u>

The contract revenue recognised during the year is disclosed in Note 3 to the financial statements.

## 10 INVENTORY

	Group	
	2006 \$'000	2005 \$'000
Trading goods – building materials	2,096	3,298

## 11 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Subsidiaries	-	-	14,916	16,976
Less:				
Allowance for impairment	-	-	(14,916)	(16,877)
	-	-	-	99
Associates	-	2,326	-	56
Less:				
Allowance for impairment	-	(50)	-	(50)
	-	2,276	-	6
Third parties	4,546	4,940	-	2
Less:				
Allowance for impairment	(397)	(113)	-	-
	4,149	4,827	-	2
Net trade receivables	4,149	7,103	-	107
Loans and advances to subsidiaries	-	-	3,829	7,565
Advances	6	1	-	-
Deposits and prepayments	160	336	44	122
Sundry debtors	9,107	14,058	9,097	14,044
Tax recoverable	232	229	113	113
Interest receivable	89	-	89	-
	13,743	21,727	13,172	21,951
Less:				
Allowance for impairment – sundry debtors	(8,738)	(9,870)	(9,737)	(10,870)
	5,005	11,857	3,435	11,081

## 11 TRADE AND OTHER RECEIVABLES (cont'd)

Group and Company

Advances are unsecured, interest-free and have no fixed terms of repayment.

Loan receivable from associates and all non-trade balances pertaining to associates are unsecured, interest-free and are repayable on demand.

Included in sundry debtors is an amount of \$Nil (2005 - \$9,597,872) owing by a company with a common director. This amount has been fully provided for in the previous financial year.

Trade receivables are normally on a 30 days payment terms. The Group and the Company do not identify any significant concentration of credit risk as the trade receivables balances are spread over a number of customers.

Company

Interest-bearing loans and advances from subsidiaries, bear interest at rates of 6.5% (2005 - 2.32% to 6.5%) per annum and are repayable on demand. Included in allowance for impairment - sundry debtors is an allowance of \$1,000,000 (2005 - \$1,000,000) for interest-bearing loans and advances.

## 12 ASSETS HELD FOR SALE

	Group		Company	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Investments	4,684	4,371	5,757	5,685
Less:				
Allowance for impairment	(4,684)	(1,786)	(5,757)	(3,100)
	-	2,585	-	2,585

Investments represent the following:

- (i) The Company's remaining 41.44% interest in Econ Korea Investments Pte Ltd ("EKI"). The Company had entered into an agreement for the sale of 4,230,000 shares representing an original 47% in EKI, which holds a majority 90% interest in Hangdarm Island Development Co. Ltd, for a consideration of Korean Won 7.11 billion. The shares were pledged to a financial institution to secure a term loan (Note 17(b)). The Company had received Korean Won 1.0 billion as the first payment and the proportionate profit on sale had been included in exceptional items in the previous financial year. The purchaser, JJK Ltd ("JJK"), subsequently defaulted in payment for the remaining amount. In 2006, the remaining balance was fully provided for. Subsequent to the balance sheet date, the investments in EKI was disposed to Biz Team Investments Ltd. Please refer to Note 34 to the financial statements.
- (ii) The Company's 49% interest in Econ Co. Ltd. The Company had entered into an agreement on 21 February 2006 for the sale of its 49% shareholding for a consideration of Japanese Yen 9 million (approximately S\$125,000). The agreement provides that the sale will be completed in 6 semi-annual instalments commencing 21 August 2006 to 21 February 2009.

### 13 MARKETABLE SECURITIES

	Group		Company	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Balance at beginning				
At cost	1,863	3,823	1,856	3,812
Effect of adopting FRS 39	(1,057)	-	(1,057)	-
As restated	806	3,823	799	3,812
Deconsolidation of subsidiary	(7)	-	-	-
Disposals	(542)	(1,960)	(542)	(1,956)
Fair value adjustments included in income statement	29	-	29	-
Balance at end	286	1,863	286	1,856
Less:				
Allowance for diminution in value				
Balance at beginning	1,059	2,764	1,057	2,761
Effect of adopting FRS 39	(1,057)	-	(1,057)	-
Deconsolidation of subsidiary	(2)	-	-	-
Allowance no longer required	-	(155)	-	(155)
Allowance utilised	-	(1,550)	-	(1,549)
Balance at end	-	1,059	-	1,057
At fair value	286	804	286	799
Represented by:				
Financial assets at fair value through profit or loss				
- Quoted equity investments	286	804	286	799

The fair value of quoted equity investments is determined by reference to the bid prices of the stock exchange where the quoted equity shares are traded.

### 14 CASH AND CASH EQUIVALENTS

	Group		Company	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Fixed deposits	24,472	-	24,384	-
Cash and bank balances	1,392	1,516	965	904
	25,864	1,516	25,349	904

#### 14 CASH AND CASH EQUIVALENTS (cont'd)

For the purpose of the consolidated cash flow statement, the year end cash and cash equivalents comprise the following:

	Group	
	2006 \$'000	2005 \$'000
Fixed deposits	24,472	-
Cash and bank balances	1,392	1,516
	25,864	1,516

The fixed deposits have a maturity term of three months or less. The effective interest earned on fixed deposit is 1.6% (2005-NA) per annum.

#### 15 SHARE CAPITAL

	2006 Number of shares	2005	2006 \$'000	2005 \$'000
Company				
<b>Authorised</b>				
Balance at beginning				
Ordinary shares of \$0.001 (2005 - \$0.20 each)	10,000,000,000	1,000,000,000	10,000	200,000
Reduction of par value of \$0.20 each to \$0.001 each (a)	-	-	-	(199,000)
	10,000,000,000	1,000,000,000	10,000	1,000
Creation of additional				
Ordinary shares of \$0.001 each (a)	-	9,000,000,000	-	9,000
Balance at end	(e) 10,000,000,000		(e)	10,000
<b>Paid up</b>				
Balance at beginning				
Ordinary shares of \$0.001 (2005 - \$0.20 each)	3,874,992,749	554,687,206	3,875	110,937
Reduction of par value of \$0.20 each to \$0.001 each (a)	-	-	-	(110,382)
Issue of ordinary shares of \$0.001 each (b)	-	3,320,305,543	-	3,320
Issue of ordinary shares of \$0.001 each (c)	3,500,000,000	-	3,500	-
Issue of ordinary shares of \$0.001 each (d)	454,424,666	-	454	-
	7,829,417,415	3,874,992,749	7,829	3,875
Transfer from Share Premium Account (e)	-	-	21,063	-
Balance at end	(e)	3,874,992,749	28,892	3,875

## 15 SHARE CAPITAL (cont'd)

### (a) Capital Reduction

The authorised share capital of the Company was reduced from \$200,000,000 divided into 1,000,000,000 ordinary shares of \$0.20 each to \$1,000,000 divided into 1,000,000,000 ordinary shares of \$0.001 each (the "Capital Reduction") and subsequently increased, upon the Capital Reduction taking effect, to \$10,000,000 by the creation of an additional 9,000,000,000 new ordinary shares \$0.001 each. The Capital Reduction was confirmed by the High Court of Singapore on 9 March 2005 and took effect on 11 March 2005.

The paid up share capital of the Company was cancelled to the extent of \$0.199 on each of the 554,687,206 issued and fully paid ordinary shares.

### (b) Allotment and Issue of Shares under the Scheme

The Company underwent a scheme of compromise and arrangement which was sanctioned by the High Court on 23 April 2004 (the "Scheme"). As at 31 March 2006, the Company has allotted and issued a total of 3,774,730,209 new ordinary shares of the company at an issue price of \$0.015, credited as fully paid-up, to creditors participating in the Scheme as full and final settlement of amounts owing to them by the Company.

### (c) Allotment and Issue of New Ordinary Shares

On 15 September 2005, the Company allotted and issued 3,500,000,000 new ordinary shares at an issue price of \$0.0043 per share to Morton Bay (Holdings) Pte Ltd (the "Placee") for a cash consideration of \$15,050,000 pursuant to a placement agreement dated 26 July 2005 ("Placement Issue").

In conjunction with the Placement Issue, the Company granted a call option ("Call Option") to the Placee to require the Company to allot and issue up to 1,750,000,000 new ordinary shares at the issue price of \$0.0045 per share. The Call Option is exercisable at any time and from time to time during the period of two years from the date of completion of the Placement Issue.

### (d) Contingent Claims under the Scheme

As at 1 April 2005, there were contingent claims amounting to \$9,481,883 under the Scheme. During the financial year, 454,424,666 new ordinary shares have been issued to creditors as full and final settlement of \$6,816,370 of the contingent claims which have crystallised.

As at 31 March 2006, there are no contingent claims outstanding under the Scheme as the remaining contingent claims have either expired or the Company has been released from such claims.

### (e) On 30 January 2006, in line with the amendments to the Companies Act, Cap. 50, the concepts of par value of shares and authorised share capital have been abolished and on that date, the shares of the Company ceased to have a par value. Accordingly, the amount standing in the share premium account was transferred and become part of the Company's share capital.

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

## 16 OTHER RESERVES

	Group		Company	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
(a) Share premium				
Balance at beginning	4,210	66,462	4,210	66,462
Issue of 3,320,305,543 ordinary shares of \$0.001 each at \$0.015 per share (Note 15(b))	-	46,484	-	46,484
Utilisation against accumulated losses under EIL Scheme	-	(108,736)	-	(108,736)
Issue of 3,500,000,000 ordinary shares of \$0.001 each at \$0.0043 per share (Note 15(c))	11,550	-	11,550	-
Transfer to Option Reserve (Note 15(d))	(628)	-	(628)	-
Placement costs	(431)	-	(431)	-
Issue of 454,424,666 ordinary shares of \$0.001 each at \$0.015 per share (Note 15(d))	6,362	-	6,362	-
Transfer to Share Capital (Note 15(e))	(21,063)	-	(21,063)	-
Balance at end	-	4,210	-	4,210
(b) Other reserves				
Balance at beginning and at end	4,524	4,524	-	-
(c) Exchange translation reserve				
Balance at beginning	737	746	-	-
Currency translation difference	24	(9)	-	-
Balance at end	761	737	-	-
(d) Option reserve				
Balance at beginning				
Transfer from Share Premium and balance at end (Note 15(d))	628	-	628	-
Total other reserves	5,913	9,471	628	4,210

(a) The reclassification of the share premium is governed by Companies (Amendment) Act 2005 which took effect on 30 January 2006.

(b) The reserves are not available for distribution as dividends.

(c) Exchange translation reserve arises from the translation of foreign subsidiaries' financial statements.

(d) The Company has done a valuation using Binomial Model on the options that were issued on 15 September 2005 in conjunction with the Placement Issue [Note 15 (c)]. The share options are valued at approximately \$628,000.

## 17 BORROWINGS

	Group		Company	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
<b>Non-Current Liabilities</b>				
Obligations under finance lease (a)	-	58	-	-
Analysed as follows:				
Due later than one year and not later than five years	-	58	-	-
Due later than five years	-	-	-	-
	-	58	-	-
<b>Current Liabilities</b>				
Obligations under finance lease (a)	-	23	-	-
Term loans - secured (b)	-	6,816	-	6,816
Loans - unsecured (c)	150	-	-	-
	150	6,839	-	6,816

### (a) Obligations under finance lease

	Group	
	2006 \$'000	2005 \$'000
<b>Minimum lease payments payable:</b>		
Due not later than one year	-	27
Due later than one year and not later than five years	-	67
Due later than five years	-	-
	-	94
Finance charges allocated to future periods	-	(13)
Present value of minimum lease payments	-	81
<b>Present value of minimum lease payments:</b>		
Due not later than one year	-	23
Due later than one year and not later than five years	-	58
Due later than five years	-	-
	-	81

### (b) Term loans - secured

In FY 2005, the Group and the Company had an outstanding loan of approximately \$6.8 million which is secured against the Company's investment in Econ Korea Investments Pte Ltd ("EKI"). Under the terms of the Scheme, the lender, United Overseas Bank Limited ("UOB") could opt to participate in the Scheme and to release its security over EKI. Otherwise the Company shall transfer its investment in EKI to the lender in full and final settlement of the loan.

In FY 2006, UOB opted to participate in the Scheme and the Company had issued 454,424,666 new ordinary shares to it as full and final settlement of the amount owed.

## 17 BORROWINGS (cont'd)

(c) Loans - unsecured

The facility relates to a receivables purchase or factoring facility provided by a bank to a subsidiary. The factoring limit is \$1,500,000 with a credit advance limit of \$400,000. Repayment will be via direct settlement by customers of their respective debts factored out. Effective interest rate for the credit advance is 6% per annum. This credit advance limit is guaranteed by the Company.

## 18 DEFERRED TAX LIABILITIES

	Group	
	2006 \$'000	2005 \$'000
Balance at beginning	59	67
Deconsolidation of subsidiaries	-	(30)
Transfer to income statement (Note 24)		
- current year	11	22
- overprovision in respect of prior year	(18)	-
Balance at end	52	59

The deferred liabilities arises as a result of tax on:

Excess of net book value over tax written down value of property, plant and equipment	52	59
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The deferred tax liabilities are expected to be settled more than twelve months from the balance sheet date.

## 19 TRADE AND OTHER PAYABLES

	Group		Company	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Trade payables				
Third parties	2,473	2,212	59	10
Advances received	30	34	-	-
Deposits received	60	48	-	-
Accrued expenses	303	624	259	315
Withholding tax - staff	29	23	-	-
Flow-up liabilities	-	1,082	-	1,082
Sundry creditors	244	516	-	495
	3,139	4,539	318	1,902

Group and Company

Trade payables balances are normally on 30 days credit terms.

## 20 INTEREST INCOME

	Group	
	2006 \$'000	2005 \$'000
Fixed deposits	394	43
Others	-	1
	<u>394</u>	<u>44</u>

## 21 INTEREST EXPENSE

	Group	
	2006 \$'000	2005 \$'000
Interest expense on:		
Term loans and long-term borrowings	-	6
Trust receipts, finance leases	-	3
	<u>-</u>	<u>9</u>

## 22 (a) OTHER EXPENSES

	Group	
	2006 \$'000	2005 \$'000
Loss on disposal of subsidiary	(3)	-
Write back/(crystallisation) of performance bonds	1,082	(168)
Intangible assets written off	(141)	(102)
Expenses relating to the Company's scheme of compromise and arrangement	(28)	(311)
Impairment of other receivable	(566)	-
Bad debts written off and impairment of trade receivable	(308)	(167)
Consultancy fee	(192)	-
Impairment loss on:		
- investment in		
- associates	-	(150)
- joint venture	(38)	(1,183)
Write back /(allowance) for impairment		
- unquoted investment	157	(157)
- assets held for sale	(2,748)	(1,786)
	<u>(2,785)</u>	<u>(4,024)</u>

## 22 (b) OTHER INCOME

	Group	
	2006 \$'000	2005 \$'000
Gain on disposal and deconsolidation of subsidiaries	-	3,055
Recovery of debts - non-trade	3,287	3,722
Miscellaneous income	375	480
	<u>3,662</u>	<u>7,257</u>

## 23 PROFIT BEFORE TAXATION

	Note	Group	
		2006 \$'000	2005 \$'000
Profit before taxation is stated after charging/(crediting):			
Audit fee			
- auditors of the company			
- current year		49	71
- underprovision in prior year		(3)	2
- other auditors		2	1
Non-audit fees			
- auditors of the company		10	8
Depreciation of property, plant and equipment	4	268	366
Dividend income (gross) from quoted equity investments		(3)	(3)
Directors' remuneration			
- Directors of the Company			
- fees		160	65
- salaries and related costs		591	549
- CPF contributions		13	17
		<u>764</u>	<u>631</u>
- Directors of subsidiaries			
- salaries and related costs		258	251
- CPF contributions		18	24
		<u>276</u>	<u>275</u>
Exchange loss		3	198
Fair value gain on marketable securities		(29)	-
Loss/(gain) on disposal of property, plant and equipment		4	(47)
(Gain)/loss on disposal/write off of marketable securities		(163)	16
(Write back)/allowance for impairment			
- marketable securities		-	(155)
- unquoted investments		(157)	157
Operating lease rentals - yard space and land		577	481
Bad debts written off - trade		11	67
Bad debts recovered - trade		-	(6)
Staff costs (excluding directors' remuneration):			
- salaries and related costs		2,022	2,538
- CPF contributions		130	202
		<u>2,152</u>	<u>2,740</u>
Allowance for impairment - trade receivables		297	63

## 24 TAXATION

	Group	
	2006 \$'000	2005 \$'000
Current taxation	62	61
Current taxation – associate and joint venture	193	153
Deferred tax liabilities (Note 18)	11	22
	266	236
Over provision of taxation in respect of prior years		
- current taxation	22	(205)
- deferred tax liabilities (Note 18)	(18)	-
	270	31

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 profits as a result of the following:

	Group	
	2006 \$'000	2005 \$'000
Profit before taxation	1,575	4,403
Tax at statutory rate of 20%	315	881
Tax effect on non-deductible expenses	105	162
Tax effect on non-taxable income	(148)	(788)
Utilisation of deferred tax assets on temporary differences not recognised in previous years	-	(21)
Deferred tax assets on temporary differences not recognised	-	12
Singapore statutory stepped income exemption	(10)	(10)
Differences in foreign tax rates	4	-
	266	236

The Group has unutilised capital allowances and tax losses amounting to approximately \$301,000 (2005 - \$220,000) and \$123,000 (2005 - \$Nil) respectively which are subject to agreement with the respective tax authorities.

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

Unutilised tax benefits of \$85,000 (2005 - \$44,000) have not been recognised as the realisation in the future is uncertain.

## 25 EARNINGS PER SHARE

Group

Basic earnings per share is calculated by dividing the net profit after taxation and minority interest for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit after taxation and minority interest 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 earnings and share data used in the basic and diluted earnings per share computations for the year ended 31 March:

	2006 \$'000	2005 \$'000
Net profit attributable to ordinary shareholders	1,362	4,360
	'000	'000
Weighted average number of ordinary shares in issue applicable to basic earnings per share	5,814,336	3,874,993
Effect of dilutive securities: Share options	481,250	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	6,295,586	3,874,993

There have been no transactions involving ordinary shares or potential shares since the reporting date and before the completion of these financial statements.

## 26 DISCONTINUED OPERATION

The Group has deconsolidated a subsidiary that was sold off. As at 31 March 2006, this deconsolidated subsidiary had net assets of \$327,000 comprising assets \$1,329,000 less liabilities \$1,002,000. The effect of this discontinued operation is disclosed in Note B to the Consolidated Cash Flow Statement and included in the other items for the year in Note 22. It is not significant for the Group.

Included in the Consolidation Income Statement are results from discontinued operation as follow: -

	2006 \$'000	2005 \$'000
Revenue	1,170	-
Cost of sales	(378)	-
Gross profit	792	-
Distribution cost	(89)	-
Administrative expenses	(975)	-
Other income	12	-
Loss before taxation	(260)	-
Taxation	-	-
Loss after taxation	(260)	-

In 2005, the subsidiaries that were deconsolidated did not contribute to the results. The impact on Cash Flows is not significant.

## 27 RELATED PARTY TRANSACTIONS

Group

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

	2006 \$'000	2005 \$'000
Purchases from		
- minority shareholder of a subsidiary	-	2
- a company with a common director	-	1,948
Sales to		
- an associate	-	97
- minority shareholder of a subsidiary	-	3
- a company with a common director	-	676
Management fee income from		
- an associate	-	1
- a company with a common director	-	1
Purchase of property, plant and equipment from a company with a common director	-	26
Consultancy fees to former directors	192	-
Short-term benefits costs to key management personnel (directors)	1,040	906

## 28 OPERATING LEASE COMMITMENTS (NON-CANCELLABLE)

Operating lease commitments (as lessee)

At the balance sheet date, the Group was committed to making the following payments under non-cancellable operating leases with a term of:

	Group	
	2006 \$'000	2005 \$'000
Not later than one year	642	820
Later than one year and not later than five years	2,798	946
Later than five years	1,203	257

The leases on the Group's office, factory and warehouse premises on which rentals are payable will expire earliest on 31 December 2008 and latest on 31 December 2014, and the current rent payable on the leases are \$5,710 to \$18,260 per month and are subject to revision on renewal or yearly revision.

The lease on the photocopier on which rentals are payable will expire on 31 December 2010 subject to renewal. The current rent payable on the lease is approximately \$238 per month, which is subject to revision on renewal.

## 29 CONTINGENT LIABILITIES

	Group		Company	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Corporate guarantees given to banks and financial institutions	310	1,661*	290	1,616

\* In 2005, \$1,616,000 was contingent claims that fall under the EIL Scheme.

## 30 DIRECTORS' REMUNERATION

Details of the number of directors in remuneration bands for the financial year ended 31 March 2006 were:

	Number of Directors					
	Executive		Non-executive		Total	
	2006	2005	2006	2005	2006	2005
Below \$250,000	2*	2	7*	2	9*	4
\$250,000 to below \$500,000	1	1	-	-	1	1
\$500,000 and above	-	-	-	-	-	-
Total	3	3	7	2	10	5

\* 2 Executive Directors left service on 30 September 2005 and 1 Non-Executive Director resigned on 21 September 2005.

## 31 SEGMENT INFORMATION

Segment information is provided as follows:

By business	Principal activities
Building services	Manufacturing and trading of concrete products and foundation engineering works.
Others	Investment holding management.

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

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

The following tables present revenue and profit information regarding industry segments for the years ended 31 March 2006 and 2005, and certain assets and liabilities information regarding industry segments as at 31 March 2006 and 2005.

31 SEGMENT INFORMATION (cont'd)

Business Segments

	Building Services		Others		Adjustments/ (Elimination)		Consolidated	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Segment Revenue								
Sales to external customers	21,225	20,082	6	56	-	-	21,231	20,138
Inter segment sales	-	403	306	791	(306)	(1,194)	-	-
Total revenue	21,225	20,485	312	847	(306)	(1,194)	21,231	20,138
Segment result	689	1,558	(510)	1,900	-	-	179	3,458
Share of profit/(losses) of								
- associates	950	865	-	-	-	-	950	865
- joint venture	52	45	-	-	-	-	52	45
Finance income/ (costs) (net)	1	(3)	393	38	-	-	394	35
Profit before tax							1,575	4,403
Taxation							(270)	(31)
Minority interest, net of taxes							57	(12)
Net profit for the year							1,362	4,360
Business segments								
Segment assets	5,559	13,171	30,869	9,202	-	-	36,428	22,373
Investment in associates	3,387	2,779	-	-	-	-	3,387	2,779
Investment in joint venture	645	702	-	-	-	-	645	702
Total assets	9,591	16,652	30,869	9,202	-	-	40,460	25,854
Segment liabilities	3,176	2,886	422	8,782	-	-	3,598	11,668
Total liabilities	3,176	2,886	422	8,782	-	-	3,598	11,668

31 SEGMENT INFORMATION (cont'd)

	Building Services		Others		Adjustments/ (Elimination)		Consolidated	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Other segment information:								
Capital expenditures	148	388	172	2	-	-	320	390
Depreciation	254	364	14	2	-	-	268	366
Allowance for doubtful debts - trade receivables	297	29	-	34	-	-	297	63
Bad debts recovered - trade	-	(6)	-	-	-	-	-	(6)
Bad debts written off - trade	11	67	-	-	-	-	11	67
Loss/(gain) on disposal of property, plant and equipment	4	(47)	-	-	-	-	4	(47)
Allowance for impairment in value of investment in associates	-	150	-	-	-	-	-	150
Intangible assets written off	-	-	141	102	-	-	141	102
Loss/(gain) on disposal/write-off of marketable securities	-	-	(163)	16	-	-	(163)	16
Write back in value of marketable securities	-	-	-	(155)	-	-	-	(155)

### 31 SEGMENT INFORMATION (cont'd)

Geographical segments

The following tables present revenue and profit information regarding geographical segments for the years ended 31 March 2006 and 2005 and certain asset and liability information regarding geographical segments at 31 March 2006 and 2005.

	Singapore		Overseas		Elimination		Consolidated	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Segment Revenue								
Sales to external customers	21,231	20,138	-	-	-	-	21,231	20,138
Inter segment sales	306	1,194	-	-	(306)	(1,194)	-	-
Total revenue	21,537	21,332	-	-	(306)	(1,194)	21,231	20,138

Other geographical information:

Segment assets	40,328	25,708	132	146	-	-	40,460	25,854
Capital expenditure	320	390	-	-	-	-	320	390

### 32 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

- (a) Market risk
  - (i) Currency risk

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

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

The Company's operational activities are carried out in Singapore Dollars, which is the measurement currency. All transactions are paid for in local currency. The risk arising from movements in foreign exchange rates primarily relates to the Company's foreign subsidiaries, which are incorporated and domiciled in other countries.

## 32 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (ii) Cash flow and fair value interest rate risk

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

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

The Group's exposure to movements in market interest rates relates primarily to the bank deposits and loans. The Group's policy is to place excess funds with short-term tenure in order to maintain a high level of liquidity. The short-term tenure also allows the Group to move the funds to other financial institutions offering better interest rates. The Group closely monitors interest rates.

### (iii) 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's quoted or marketable financial instruments are not significant and hence, exposure to any movements in market prices is limited.

### (b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

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 receivables is mitigated substantially by its credit evaluation process, credit policies, credit control and collection procedures.

The Group has no significant concentrations of credit risk. The maximum exposure to credit risk in relation to each class of recognised financial assets, other than derivatives, is represented by the carrying amount of each financial asset as indicated in the balance sheet.

Cash is held with reputable financial institutions.

### (c) Liquidity risk

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

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

### 33 FINANCIAL INSTRUMENTS

#### Fair values

The face value less any estimated credit adjustments for financial assets and financial liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

The Group does not anticipate that the carrying amounts recorded at balance sheet date would be significantly different from the values that would eventually be received or settled.

### 34 EVENTS AFTER BALANCE SHEET DATE

Subsequent to the balance sheet date:

- (a) the sale of 41.44% shares in EKI was not completed due to non payment by the purchaser, JJK. Based on valuation from Daesung Accounting Corporation, Korea, EKI shares have no value. The Company disposed the investments in EKI to Biz Team Investments Ltd, which is beneficially owned by certain former directors of the Company, for a cash consideration of \$1 (Note 12).
- (b) the Company sold the unquoted investments to a third party for a cash consideration of approximately \$449,000 (Note 5).

### 35 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.



# Statistics of Shareholdings

as at 22 June 2006

## SHARE CAPITAL

Number of Shares	7,829,417,415
Class of Shares	Ordinary
Voting Rights	One vote per ordinary share

## SUBSTANTIAL SHAREHOLDERS

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

	No. of shares in which Shareholders have an interest	
	Direct	Deemed
Morton Bay (Holdings) Pte Ltd	3,500,000,000	-
Asset Holder PCC No 2 Limited	-	3,500,000,000
United Overseas Bank Limited	-	1,690,443,615*
SHC Capital Limited	489,788,533	-
Oversea-Chinese Banking Corporation Limited	483,151,132	-

\* The shares are registered in the name of United Overseas Bank Nominees (Private) Limited. United Overseas Bank Limited, in its Notice of Substantial Shareholding Interest to the Company, stated that it has deemed interest in those shares.

## 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 22 June 2006, approximately 20.59% of its Shares listed on the SGX-ST were held in the hands of the public.

**Statistics of Shareholdings**  
as at 22 June 2006

**Distribution of Shareholdings**

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1-999	19	0.14	7,382	0.00
1,000-10,000	7,604	55.44	44,668,536	0.57
10,001-1,000,000	6,022	43.90	420,082,321	5.37
1,000,001 and above	71	0.52	7,364,659,176	94.06
Total :	13,716	100.00	7,829,417,415	100.00

**Twenty Largest Shareholders**

No.	Name	No. of Shares	%
1	Morton Bay (Holdings) Pte Ltd	3,500,000,000	44.70
2	United Overseas Bank Nominees (Private) Limited	1,750,829,677	22.36
3	Oversea Chinese Bank Nominees Pte Ltd	472,381,132	6.03
4	SHC Capital Limited	326,525,689	4.17
5	Mayban Nominees (S) Pte Ltd	241,338,003	3.08
6	Federal Insurance Company	239,177,842	3.05
7	ECICS Limited	219,487,522	2.80
8	SHC Capital Limited-SIF	163,262,844	2.09
9	American Home Assurance Company Limited	80,000,000	1.02
10	Korea Exchange Bank	44,407,108	0.57
11	DBS Nominees Pte Ltd	41,746,000	0.53
12	The Overseas Assurance Corporation Ltd	32,888,540	0.42
13	Malayan Banking Berhad	32,491,966	0.41
14	OCBC Nominees Singapore Pte Ltd	26,798,000	0.34
15	Phillip Securities Pte Ltd	16,740,118	0.21
16	Citibank Nominees S'pore Pte Ltd	13,679,000	0.17
17	Kian Ann Engineering Ltd	13,330,000	0.17
18	International Factors (S) Ltd	12,607,406	0.16
19	Fook Tong Nam Development Pte Ltd	11,781,000	0.15
20	Ng May May Susan	9,000,000	0.11
	Total:	7,248,471,847	92.54

## JASPER INVESTMENTS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No. 198700983H)

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 19th Annual General Meeting of the Company will be held at Room 1003, Level 10, One Marina Boulevard, Singapore 018989 on Wednesday, 26 July 2006 at 2.00 p.m. for the following purposes:

#### As Ordinary Business

1. To receive and adopt the Audited Accounts of the Company for the year ended 31 March 2006 together with the reports of the Directors and Auditors thereon.
2. (a) To re-elect Geoffrey Yeoh who retires by rotation pursuant to Article 91 of the Company's Articles of Association.  
(b) To re-elect the following Directors, each of whom retires pursuant to Article 97 of the Company's Articles of Association:
  - (i) Eytan Uliel
  - (ii) Eddy Sariaatmadja
  - (iii) Steven Simpson
  - (iv) Thio Su Mien

*Steven Simpson, a member of the Company's Audit Committee, is an independent Director of the Company.*

*Thio Su Mien, a member of the Company's Audit Committee and Chairman of the Nominating and Remuneration Committees, is an independent Director of the Company.*
3. To approve Directors' fees of S\$160,000 for the year ended 31 March 2006. (2005: S\$65,000)
4. To re-appoint Foo Kon Tan Grant Thornton as Auditors and to authorise the Directors to fix their remuneration.
5. To transact any other ordinary business that may properly be transacted at an Annual General Meeting.

#### As Special Business

6. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

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

- (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or  
(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

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

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the number of issued 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 convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
  - (ii) any subsequent 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 Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) 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.”

7. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“That authority be and is hereby given to the Directors to issue such number of 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 Scheme 1999 (“Scheme”) and/or the vesting of awards granted or to be granted under the Jasper Performance Plan (“Plan”) provided that the aggregate number of shares to be issued pursuant to the Scheme and the Plan does not, in aggregate, exceed 15% of the issued shares in the capital of the Company from time to time.”

By order of the Board

Christine Chan  
Company Secretary  
10 July 2006

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 30 Raffles Place #20-01, Caltex House, Singapore 048622 not less than 48 hours before the time fixed for the Annual General Meeting.

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**Additional information relating to items of Special Business**

- Item 6 Ordinary Resolution 6 is to empower the Directors, from the date of this Annual General Meeting up to the date of the next Annual General Meeting, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the issued shares in the capital of the Company, of which not more than 20% may be issued other than on a pro-rata basis to shareholders. For determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the number of issued shares in the capital of the Company at the time that this Resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that this Resolution is passed, and any subsequent consolidation or subdivision of shares.*
- Item 7 Ordinary Resolution 7 is to authorise the issue of shares on the exercise of options granted under the Jasper Share Option Scheme 1999 ("Scheme") and the vesting of awards under the Jasper Performance Plan ("Plan") not exceeding (for the entire duration of the Scheme and the Plan respectively) 15% of the issued shares in the capital of the Company from time to time. The Scheme and the Plan were approved at an Extraordinary General Meeting ("EGM") held on 25 August 1999, and the Plan was subsequently modified at an EGM held on 29 September 2000.*

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# JASPER INVESTMENTS LIMITED

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

## PROXY FORM - ANNUAL GENERAL MEETING

**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 their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

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

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

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

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

and/or (delete as appropriate)

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

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 26 July 2006, 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.

	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(a).	Re-election of Mr Geoffrey Yeoh				
2(b).	(i) Re-election of Mr Eytan Uliel				
	(ii) Re-election of Mr Eddy Sariaatmadja				
	(iii) Re-election of Mr Steven Simpson				
	(iv) Re-election of Dr Thio Su Mien				
3.	Approval of Directors' Fees				
4.	Re-appointment of Auditors				
5.	Any other Ordinary Business				
6.	Approval to issue shares and/or make or grant offers, agreements or options pursuant to the Companies Act, Cap. 50 and the listing rules of the Singapore Exchange Securities Trading Limited				
7.	Authority to issue shares under the Jasper Share Option Scheme 1999 and the Jasper Performance Plan				

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

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2006

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

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

Total number of shares held

## 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. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), you should insert that number of shares. If you have shares entered against your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you 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 you.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 30 Raffles Place #20-01, Caltex House, Singapore 048622 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.