



Jasper

Investments Limited

FUEL FOR GROWTH

Annual Report 2010



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Our Story

Jasper Investments Limited is a holding company listed on the Singapore Exchange since 1993. It invests principally in the offshore oil and gas drilling and services sector through its main subsidiary, Jasper Offshore. The latter owns and operates oil rigs for deep sea drilling, serving oil and gas exploration and production companies under medium and long-term contracts.

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



A worker in an orange safety suit and blue helmet is operating industrial machinery in a factory setting. The worker is wearing a blue hard hat and safety glasses. The machinery is large and metallic, with a prominent vertical shaft. The worker's hands are on a control panel or handle. The background shows other industrial equipment and a worker in a similar orange suit. The overall scene is industrial and focused on manual labor.

PROPELLED BY
**A DRIVING
FORCE**

Message from Executive Director

We began 2009 in the midst of a global financial crisis. With oil trading near US\$30 a barrel and every economic indicator projecting a weak and uncertain outlook, there was little to be upbeat about. As a result, the oil and gas industry prepared for the worst by cutting capital and operating budgets which adversely affected day rates and rig utilisation in the industry.

Against this backdrop, Jasper could not escape the effects of the economic downturn. Revenue for FY2010 declined to US\$78.9 million from US\$127.2 million in the previous year as a result of lower rig utilisation for the Discoverer which was deployed in Venezuela. The Discoverer was subsequently sold in January 2010 for US\$150 million after the drilling contract with Petroleos de Venezuela, S.A., the Venezuelan state oil company, was terminated by the secured lenders. The proceeds from the sale were used to fully repay the bank loan secured against the Discoverer and reduce other liabilities.

In our industry, cycles are part of the business and during a downturn we need to take decisive actions to ensure our capital base remains strong while positioning the company to take advantage of any opportunities that will arise when the global economy strengthens. The sale of the Discoverer has allowed us to reduce our liabilities and puts Jasper in a better position to grow its business.

In FY2010, we divested our 45% equity interest in Resource Holdings, previously an associated company, which is in the business of providing foundation and engineering services, for S\$31.7 million. We also sold our 100% equity interest in our subsidiary ECI Corporation for S\$5 million.

In March 2010, we made a US\$29.2 million subscription of new shares in Neptune Marine Oil & Gas. As a result, Jasper now owns 91.31% of the total issued share capital of the company. Following the increased stake, we changed the name of Neptune Marine Oil & Gas to Jasper Offshore to better align the brand recognition of the company with that of its parent firm. The rebranding also reflects the firm's business and vision.

In the year under review, we completed the US\$340 million rebuilding of our drillship, the Explorer. After almost 36 months of upgrading and conversion, the Explorer is now a dynamically positioned deepwater drilling rig with a variable deckload of 7,220 metric tonnes and is equipped to work in water depths of up to 5,000 ft. The reactivation and upgrade of the drillship has strengthened our capacity to work on projects

in the lucrative mid to deepwater segment. We have received interests from several parties and are in active discussions to deploy the Explorer. At the same time, we continue to scour for commercial opportunities for our semi-submersible, the Finder.

As the global economy strengthens, we will also step up our search for more offshore rigs to expand our fleet size. With a financial position strengthened by the disposal of non-core assets and the completion of the rebuilding of the Explorer, we are well-positioned to take advantage of leads that will give us a firmer foothold in the offshore drilling sector.

In our industry, cycles are part of the business and during a downturn we need to take decisive actions to ensure our capital base remains strong while positioning the company to take advantage of any opportunities that will arise when the global economy strengthens.

I would like to thank my fellow Board members for their guidance during a difficult year and shareholders for their trust and patience. Seumas Dawes and Oscar Spieler will be retiring at the next AGM. Seumas will continue as an advisor to the Board. I welcome Jeffrey Saile who joined our Board in May 2010. Jeffrey was previously in the senior management of Ensco International, a major US offshore drilling company and brings along a wealth of experience. Additionally, I would like to welcome Tan Yee Long, a lawyer, who will join the Board after the AGM. Most importantly, I am grateful for the hard work and dedication of all my colleagues. Their efforts and abilities are the foundation on which Jasper will continue to rely on to grow in 2010 and beyond.

Geoffrey Yeoh

Our New Look



We have changed the name and logo of our subsidiary Neptune Marine Oil & Gas to Jasper Offshore. At the same time, Jasper Offshore's units have also been renamed as follows:

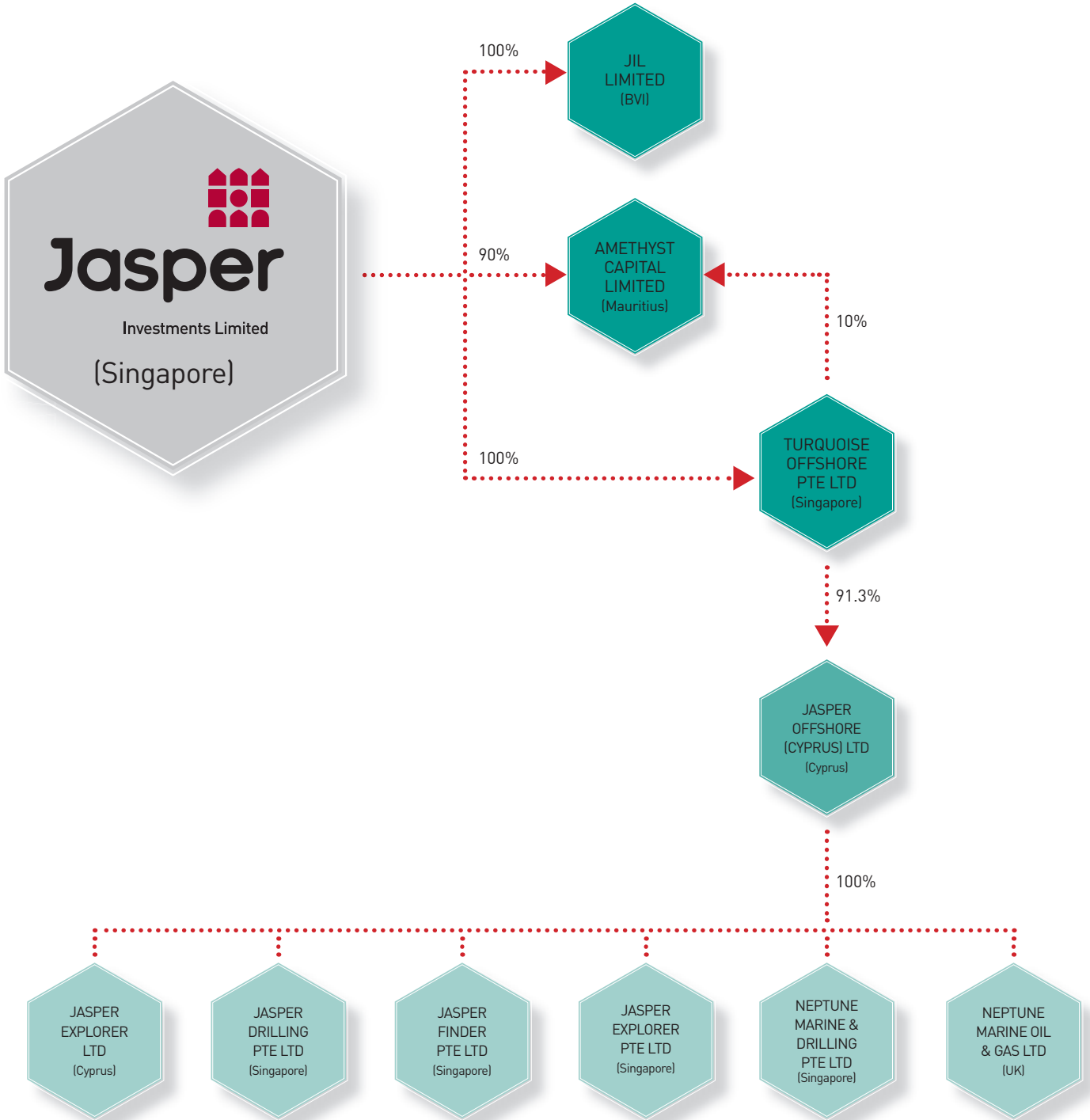
- 1] Neptune Marine Oil & Gas Ltd to Jasper Offshore (Cyprus) Ltd
- 2] Neptune Explorer Pte Ltd to Jasper Explorer Pte Ltd
- 3] Neptune Finder Pte Ltd to Jasper Finder Pte Ltd
- 4] NM Drilling Pte Ltd to Jasper Drilling Pte Ltd

The Jasper Offshore logo is characterised by the North Star icon. It forms the primary identity of the logo as its nautical heritage reflects the company's business

operations in the industry. As a symbol of security and guidance, the North Star also reinforces key principles that continue to fuel the firm's growth and reputation. The eight points of the star represent Jasper Offshore's vision and mission, as well as each of the firm's six core values: Innovative, Profitable, Respect, Safe & Quality Operations, Flexible and Agile. The North Star icon is framed in a hexagon that resembles a drill bit, which highlights the company's strength as a reputable provider of drilling services in the oil & gas industry.

The logo and names change is to align the brand recognition of the company with that of its parent firm. The rebranding is also aimed at better reflecting the company's business and vision. There is no change in management and Jasper Offshore and its units will continue to provide the same services.

Corporate Structure





POWER TO
MAKE A
DIFFERENCE

Board of Directors

SEUMAS DAWES CHAIRMAN & NON-EXECUTIVE DIRECTOR

Mr Seumas Dawes was appointed to the board of Jasper Investments Limited in July 2007 and assumed the appointment of Non-Executive Chairman in April 2008.

Mr Dawes is a senior portfolio manager of Ashmore Group Plc and heads the special situations division of Ashmore. He is responsible for Ashmore's private equity investments, which include AEI and Rubicon Offshore Limited.

Previously, Mr Dawes was with Paribas Limited. Before Paribas, he was the Head of Local Markets Proprietary Trading at ANZ Investment Bank and a Director at Merrill Lynch's International Credit Trading group. He has also worked in the Australian public sector, including three years as a senior adviser to the then Treasurer of Australia (later, Prime Minister) Paul Keating.

GEOFFREY YEOH EXECUTIVE DIRECTOR

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

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

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

STEVEN SIMPSON INDEPENDENT DIRECTOR

Mr Steven Simpson was appointed as an Independent Director in September 2005. Mr Simpson is the Principal of Triton Advisory Group, a mergers and acquisitions, fixed income trading, asset management and corporate advisory group located in Singapore. He has successfully advised many private and public sector transactions including privatisations, mergers, acquisitions and debt and equity capital market activities. He has over 20 years of hands-on experience in the Asia Pacific region.

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

OSCAR SPIELER NON-EXECUTIVE DIRECTOR

Mr Oscar Spieler was appointed to the board of Jasper Investments Limited in April 2008.

Mr Spieler was the Chief Executive Officer of Sea Production Management AS from 2007 to 2008, a company which develops floating production storage and off-loading, and floating storage and offloading units for the oil and gas sector.

Mr Spieler was previously CEO of Frontline Management AS from October 2003, and from 1999 to 2003, was its Technical Director. He worked as a fleet manager for Bergesen, a major Norwegian gas tanker and very large crude carrier owner from 1995 to 1999. Mr Spieler was also with the Norwegian classification society DNV from 1986 to 1995, and handled both shipping and offshore assets.

DAVID CHIA INDEPENDENT DIRECTOR

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

Since 1990, he has been actively involved in the private equity and venture capital industry in Asia as a director of an investment advisory firm engaged in direct investments in the region. From 1980 to 1990, Mr Chia was engaged in providing audit and financial consulting services in Singapore and Hong Kong with an international accounting firm.

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

JEFFREY SAILE INDEPENDENT DIRECTOR

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

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

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

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

Senior Management

LEE MEE KIUM
GENERAL MANAGER,
CORPORATE DEVELOPMENT
JASPER INVESTMENTS LIMITED

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

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

SHIRLEY TENG
GROUP CONTROLLER
JASPER INVESTMENTS LIMITED

Ms Shirley Teng joined the Group in 1996 as Accounting Manager, and was in charge of several subsidiaries' accounts in the Building Materials Division.

She is currently the Group Controller responsible for the overall accounting functions, tax and financial reporting of the Group. Prior to joining the Group, she had extensive accounting experience at management level. She is a Fellow of the Association of International Accountants, UK.

PAULINE SIM, PBM
GROUP SENIOR MANAGER,
HUMAN RESOURCES & ADMINISTRATION
JASPER INVESTMENTS LIMITED

Ms Pauline Sim joined the Group in 1995 and currently oversees all operational aspects of human resources, people development policies and practices, and administration. She has over 21 years of experience in human resources management with multi-national corporations in the construction and service sectors.

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

HELMUT ERNST VAN ROIJEN
PRESIDENT
JASPER OFFSHORE

Mr Helmut Ernst Van Roijen joined Jasper Offshore in July 2009 as President overseeing the operations of Jasper Offshore and its subsidiaries. Prior to joining the Group, he held senior management positions at Seadrill Management, Northern Offshore and Shell, among other prospecting and drilling companies.

He holds a Bachelor of Science degree in Mechanical Engineering from Delft University of Technology, Holland and has over 40 years of experience in the oil & gas industry.

TAN CHOON SZE
CHIEF FINANCIAL OFFICER
JASPER OFFSHORE

Mr Tan Choon Sze joined Jasper Offshore in April 2008 as Chief Financial Officer. He has over 17 years of financial experience, many of which were in the oil & gas industry. He was previously the Financial Controller of FMC Technologies Singapore Pte Ltd, and also held key financial management positions in Pfizer Asia Pacific, Chevron Oronite and Hewlett-Packard.

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

Corporate Information

BOARD OF DIRECTORS

Seumas Dawes (Chairman)
Geoffrey Yeoh (Executive Director)
Steven Simpson
David Chia
Oscar Spieler
Jeffrey Saile

AUDIT COMMITTEE

Steven Simpson (Chairman)
David Chia
Oscar Spieler

NOMINATING COMMITTEE

David Chia (Chairman)
Steven Simpson
Geoffrey Yeoh

REMUNERATION COMMITTEE

Seumas Dawes (Chairman)
David Chia
Oscar Spieler

COMPANY SECRETARY

Lee Mee Kium

REGISTRAR

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

AUDITORS

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

Partner-in-charge

Ong Soo Ann
(Appointed since financial year 31 March 2010)

REGISTERED OFFICE

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Website: www.jasperinvests.com
Co. Reg. No: 198700983H

Operational & Financial Review

OVERVIEW

During FY2010, the Group divested its 45% share in foundation and engineering services business, Resource Holdings Ltd ("Resource") for S\$31.7 million and its 100% stake in ECI Corporation Pte Ltd ("ECI"), which manufactures precast building components, for S\$5 million. The divestment of these non-core businesses brings us closer to our strategy of transforming Jasper into a serious contender in the offshore oil and gas drilling and services sector.

GENERAL DEVELOPMENTS

The Company issued 659,530,330 new ordinary shares as part of a rights issue, which was completed on 29 May 2009. This exercise raised US\$58.5 million net of transaction costs, of which US\$50 million was used to repay a bridging loan from Morton Bay (Holdings) Pte Ltd ("Morton Bay") and a further US\$6 million was used to partially finance the repayment of a bridging bank loan.

In the same month, the Group bought back US\$186 million of the outstanding principal and accrued interest of a bridging bank loan provided by a commercial bank. This was financed by a shareholder's loan of US\$180 million from Morton Bay and part of the proceeds from the rights issue.

In November 2009, the Group acquired an additional 1.34% interest in Jasper Offshore (Cyprus) Limited ("Jasper Offshore") (formerly known as Neptune Marine Oil & Gas Ltd) for approximately US\$0.36 million, increasing its shareholding from 55.44% to 56.78%.

In March 2010, the Group subscribed for 58,435,255 new shares in Jasper Offshore as part of its preferential offering of new shares to shareholders. Following this, the Company's stake in Jasper Offshore increased to 91.31%.

During the financial year, Jasper Offshore sold its drill ship, the Discoverer, for US\$150 million.

FINANCIAL PERFORMANCE

The Group's performance in FY2010 was affected by lower turnover and higher non operating expenses that resulted in a loss before tax from continuing operations of US\$127.1 million compared with US\$3.7 million posted in FY2009. After deducting tax and including profits from discontinued operations, the Group's net loss for the period was US\$150.8 million compared with US\$38.5 million for the previous financial year.

Turnover for the year under review was US\$78.9 million, US\$48.3 million lower than the year before. Revenue was adversely affected by the downtime of

the Discoverer in May and July 2009. Higher expenses were recorded as a result of impairment losses which included US\$62 million for fixed assets and a loss on the disposal of the Discoverer amounting to US\$82 million. An impairment loss of US\$18 million was also recorded for intangible assets. These losses were however partially offset by a gain of US\$11.6 million arising from the disposal of Resource, a gain of US\$49.8 million on dilution of non-controlling interests and negative goodwill of US\$3.1 million from the acquisition of additional shares in Jasper Offshore.

Net loss attributable to equity holders for the financial year ended 31 March 2010 was US\$72.3 million after taking into consideration taxation which amounted to US\$26 million, of which US\$25.8 million was withholding tax for income derived by Jasper Offshore in Venezuela.

FINANCIAL POSITION OF THE GROUP

Group total assets amounted to US\$574.6 million, which was US\$281.4 million lower than the previous year. Fixed assets decreased as a result of disposal of the Discoverer which had a net book value of US\$228.9 million and an impairment loss of US\$62 million. This decrease was partially offset by an increase of US\$75.5 million in the value of the drill ship, the Explorer resulting from upgrading work.

Intangible assets of US\$19.6 million as at 31 March 2009, which was the value of the long-term drilling contract for the Discoverer, was fully amortised and impaired during FY2010.

Investment in associate comprised net investment in Resource. The decrease in investment in associate was due to the divestment of Resource during the financial year.

Trade and other receivables were lower because of the drilling contract being assigned as part of the sale of the Discoverer.

Group shareholders' funds decreased to US\$284.4 million from US\$297.1 million in the previous year. The decline was attributable mainly to retained losses for the year of US\$71.2 million, which was offset by an increase in share capital of US\$58.5 million as a result of a rights issue completed during the year.

Group total liabilities decreased to US\$280.7 million from US\$418.5 million in the previous year. This was attributed mainly to the repayment of a US\$50 million bridging loan from Morton Bay and US\$63.2 million of bank loans.

Industry Segment

INDUSTRY OUTLOOK

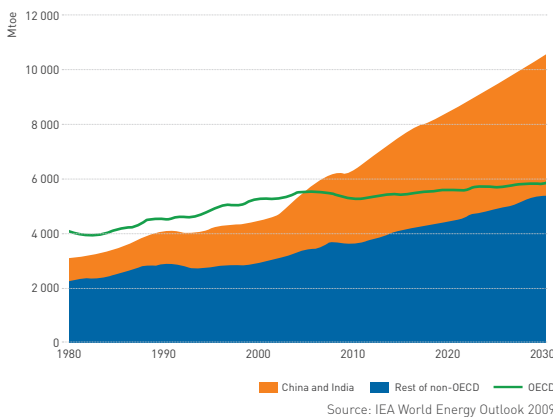
In 2009, global meltdown on the scale of the Great Depression was averted as a result of concerted efforts by governments to stimulate their economies with unprecedented, wide-ranging measures. The global economy started to stabilise in the second half of 2009, with oil demand picking up and prices recovering from below US\$40 a barrel to near US\$80 at the end of the year.

While recovery in developed countries has been patchy due to high unemployment and fiscal debt, developing countries, particularly in Asia, led the global turnaround. In particular, the twin engines of China and India were able to sustain growth throughout the financial crisis, and will continue to be drivers for further expansion and recovery.

Thus far, the general pulse for 2010 is registering rising confidence with businesses showing signs of recovery albeit at varying speeds in various regions. Consequently, demand for energy is expected to grow. Prospects in the near term for the offshore oil and gas sector will remain cautiously optimistic with oil price stabilising within the range of US\$70 to US\$80 a barrel.

Long-term fundamentals driving deepwater exploration and production ("E&P") activities will stay bullish because of fast depleting shallow water reserves and growing energy demand. According to the International Energy Agency ("IEA"), global demand for oil is expected to rise by an average of 1% per year, from 85 million barrels per day ("bpd") in 2008 to 105 million bpd in 2030. Furthermore, with the growing appetite for energy, the IEA predicted that fossil fuels are expected to satisfy 77% of the incremental demand.

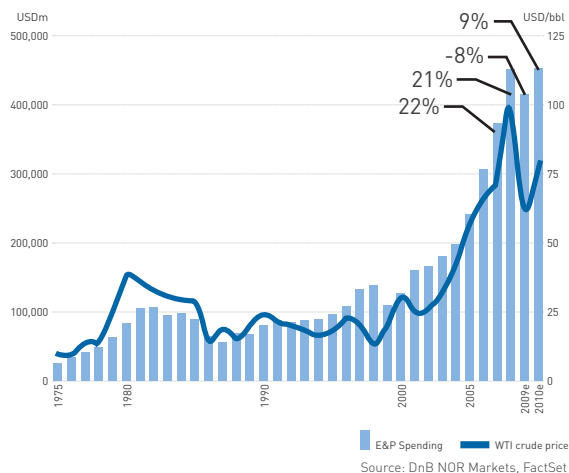
WORLD ENERGY OUTLOOK (in million tonnes of oil equivalent)



Surveys conducted by Norwegian financial services group DnB NOR on 52 oil companies predicted a 9% increase in E&P spending for 2010. E&P activities are expected to be concentrated on deepwater production in Brazil, Gulf of Mexico and West Africa. These regions made significant discoveries in 2009 which will add to global reserves. Energy business research company Douglas Westwood has forecast that deepwater expenditure will hit US\$137 billion by 2015 while deepwater oil production will rise from slightly over 7 million bpd to over 10 million bpd by 2015, further lending support to an upward trend in spending.

With signs of increasing E&P activity and project starts, 2010 is envisaged to be a year of opportunity. On the marketing side, we are seeing increased interests for our drillship. However, at this juncture, the demand for rig service is typically of shorter periods for one to three-well programmes. Nevertheless, investment in longer term programmes is expected to resume when global economic recovery is firmly in place.

CRUDE OIL PRICE & E&P SPENDING FORECASTS FOR 2010



Following the disposal of one of our deepwater rigs, the Discoverer, in early 2010, we now have one drillship, the Explorer, and one semi-submersible, the Finder. The Explorer, capable of drilling up to water depth of 5,000 feet, is being actively marketed. As for the Finder, we are exploring options for its refurbishment and will proceed with upgrading plans when a contract for its deployment can be reasonably secured.

ENERGY TO
SUCCEED



Corporate Governance

INTRODUCTION

This report describes the Company's main corporate governance practices and activities for the financial year ended 31 March 2010, with specific reference to the Code of Corporate Governance ("Code") issued by the Ministry of Finance.

BOARD'S CONDUCT OF AFFAIRS (Principle 1)

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

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

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

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

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

The number of Board and Board committee meetings held during the financial year and the attendance of Directors at these meetings is tabulated below:

	Board		Audit		Remuneration		Nominating	
	No. of meetings held ⁽¹⁾	No. of meetings attended	No. of meetings held ⁽¹⁾	No. of meetings attended	No. of meetings held ⁽¹⁾	No. of meetings attended	No. of meetings held ⁽¹⁾	No. of meetings attended
Directors								
1. Seumas Dawes	4	3	-	-	3	3	2	2
2. Geoffrey Yeoh	4	4	-	-	-	-	-	-
3. Oscar Spieler	4	4	3	3	1	1	-	-
4. Steven Simpson	4	4	7	7	-	-	2	2
5. David Chia	4	4	7	7	3	3	-	-

Notes

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

Corporate Governance (Cont'd)

In addition to formal meetings, the Directors are frequently updated on Company matters by Management via emails and telephone conferences. As the Chairman is based overseas, frequent updates are provided by the Chief Executive Officer ("CEO") and discussions with other Board members are regularly held through emails and telephone conferences.

Directors are briefed by the CEO on Group's operations on their appointment. Directors are also encouraged to update or train themselves and information on relevant courses and seminars are forwarded to directors. Periodically, the Board is updated on the relevant laws, continuing listing obligations and standards requiring compliance and their implications for the Group.

BOARD COMPOSITION AND BALANCE (Principle 2)

The present Board comprises six members, three of whom are independent non-executive directors; two Director who are non-independent and non-executive and an executive Director.

The criterion for independence is based on the definition given in the Code. The Board considers an "independent" director as one who has no relationship with the Company, its related companies or officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent judgment of the conduct of the Group's affairs.

The Board is of the view that the current Board composition, which comprise two members with specialized industry knowledge as well as others with diverse skills, experience and attributes, provides for effective direction for the Group. The 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 and collectively possess the necessary core competencies for effective functioning and informed decision-making.

Key information regarding the directors is given in the 'Board of Directors' section of this annual report.

Particulars of interests of Directors who held office at the end of the financial year in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries are set out in the Directors' Report on pages 21 and 25 of this annual report.

CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER (Principle 3)

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

As non-executive Chairman, Mr Seumas Dawes chairs the Board of Directors and is primarily responsible for the effective working of the Board. As the Company's CEO, Mr Geoffrey Yeoh is responsible for the day-to-day management affairs of the Group. The Chairman and the CEO of the Company are not related to each other.

BOARD MEMBERSHIP (Principle 4)

BOARD PERFORMANCE (Principle 5)

The Nominating Committee ("NC") comprises the following Directors, the majority of whom, including the Chairman, are independent from Management:

Mr David Chia (Chairman)
Mr Steven Simpson
Mr Geoffrey Yeoh

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

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

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

The NC is responsible for evaluating the effectiveness and performance of the Board as a whole taking into account the complementary nature and collective nature of the Directors' contribution and of each individual Director.

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

ACCESS TO INFORMATION (Principle 6)

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

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

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

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

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES (Principle 7)

The Remuneration Committee ("RC") comprises the following Directors, all of whom are independent from Management:

Mr Seumas Dawes (Chairman)
Mr David Chia
Mr Oscar Spieler

The RC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual Directors and 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 also administers the Jasper Share Option Plan ("Share Option Plan") and the Jasper Share Incentive Plan ("Incentive Plan").

Although the Code recommends that the RC Chairman should be an Independent, non-executive Director, the Board feels that Mr Dawes' experience and knowledge would contribute positively to the formulation of remuneration policies and strategies for the Group.

Corporate Governance (Cont'd)

LEVEL AND MIX OF REMUNERATION (Principle 8)

In setting remuneration packages, the RC will take into consideration the pay and employment conditions within the industry and in comparable companies. The remuneration of non-executive Directors is also reviewed to ensure that the remuneration is commensurate with the contribution and responsibilities of the Directors.

The Company will submit the quantum of Directors' fee of each year to the shareholders for approval at each AGM.

DISCLOSURE ON REMUNERATION (Principle 9)

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

In reviewing the remuneration of Directors, the Board considers the Company's performance, the responsibilities and performance of Directors as well as pay conditions within the industry. The fees payable to non-executive Directors reflect the scope and extent of the Director's responsibilities and obligations, based on a remuneration framework comprising basic fees and an additional fee for chairing the various board committees. Such fees are recommended as a lump sum payment for approval by shareholders at the AGM of the Company.

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

Details of the remuneration of the Directors of the Company for financial year ended 31 March 2010 within bands of US\$250,000 are set out below:-

Directors	Fixed %	Variable %	Directors' Fees %	Allowances and Other Benefits %	Total %
<i>Below \$250,000</i>					
Seumas Dawes	-	-	-	-	-
Steven Simpson	-	-	100	-	100
David Chia	-	-	100	-	100
Oscar Spieler	-	-	100	-	100
<i>\$500,000 and above</i>					
Geoffrey Yeoh	48	-	-	52	100

The remuneration package 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. Currently the Company has two share-based incentive schemes, the Share Option Plan and the Share Incentive Plan which allows employees to share in the growth and success of the Company. For the financial year ended 31 March 2010, 20,000,000 options have been granted and 980,000 ordinary shares have been allotted and issued under the two plans respectively.

The table below sets out the remuneration of the top key executives of the Group.

	Names
\$250,000 to less than \$500,000	Helmut Ernst van Roijen Daljit Pandher Nick Webster Colin John Dey
\$500,000 and above	Jonny Klepsvik

There is no employee of the Company and its subsidiaries who was an immediate family member of any Director and/or any substantial shareholder and whose remuneration exceeds US\$150,000 during the financial year ended 31 March 2010. In addition, as matters have been made in this Report, the Board is of the opinion that a separate remuneration report will not be necessary.

ACCOUNTABILITY (Principle 10)

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

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

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

AUDIT COMMITTEE (Principle 11)

The Audit Committee ("AC") comprises the following non-executive Directors, the majority of whom including the Chairman are independent:

Mr Steven Simpson (Chairman)
Mr Oscar Spieler
Mr David Chia

The Board is of the view that the AC members have the appropriate experience and qualifications to discharge their responsibilities effectively. The AC's scope of authority are 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 their recommendation 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 auditors, taking into account the scope and results of the audit and its cost effectiveness and the independence of the external and internal auditors. The AC has full authority to investigate matters within its terms of reference.

Corporate Governance (Cont'd)

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

The AC met 7 times during the year, with 100% attendance record by its members. The AC has full access to both the internal and external auditors and vice versa. During the year, the AC has met with the external auditors without the presence of Management and has reviewed the overall scope of both the internal and external audits.

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

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

INTERNAL CONTROLS (Principle 12)

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

During the year, the Company's external auditors have carried out, in the course of their annual statutory audit, a review of the Company's material internal controls, including financial, operational and compliance controls and risk management to the extent of the scope of audit as laid out in their audit plan. In addition, the Company's Internal Auditors have carried 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 and by the internal auditor, as well as the auditors' recommendations to address such non-compliance and weakness are reported to the AC.

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

During the year, 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 noted that based on the results of the internal and external audits, the system of internal controls is being enhanced and will work with Management, as well as the internal and external auditors, to ensure the robustness and effectiveness of the Group's internal controls.

INTERNAL AUDIT (Principle 13)

The function of the 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 Baker Tilly Consultants (S) Pte Ltd. The IA is expected to meet or exceed the standards set by nationally or internationally recognized professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. During the financial year, the IA has reviewed the internal processes of the Group and has identified areas in which such processes may be enhanced. Going forward, the IA will work closely with Management with the guidance of the AC to ensure enhancement of these highlighted processes.

The IA has unrestricted direct access to the AC. The IA plans its scope of internal audit work each year in consultation with the AC and submits its annual audit plan to the AC for approval.

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

COMMUNICATION WITH SHAREHOLDERS (Principles 14 & 15)

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

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

Resolutions requiring shareholders' are tabled separately for adoption at general meetings unless the matters for consideration are closely related and would more appropriately be considered together. Items of special business to be transacted at general meetings are accompanied, where required, by an explanation for the proposed resolution. The Company's main forum for dialogue with shareholders takes place at its AGM, where the members of the Board, senior Management and the external auditors are in attendance. The Company welcomes questions from shareholders who are given an opportunity to raise issues and ask questions about the Company either formally or informally.

The Articles of Association of the Company allows a shareholder to appoint one or two proxies to attend and vote at general meetings in his/her stead.

ADDITIONAL INFORMATION

Dealing in Securities

The Company has in place a policy prohibiting share dealings by Directors and employees of the Company for the periods commencing one month before and up to the date of the announcement of the Company's full year results and two weeks before and up to the date of the announcement of its quarterly results. Directors and employees are expected to observe the insider trading laws at all times even when dealing in the Company's securities within permitted trading period. They are also discouraged from dealing on consideration of a short term nature

Interested Person Transactions

In December 2008, shareholders approved a general mandate covering transactions involving the provision of financial assistance by the Company's controlling shareholder and companies/entities associated with it to the Group ("IPT Mandate"). The IPT Mandate was subsequently renewed at an extraordinary general meeting held in July 2009.

The interested person transactions transacted for the financial year ended 31 March 2010 by the Group, pursuant to Rule 907 of the Listing Manual, are as follows:

Name of interested person	Aggregate value of all interested person transactions conducted under shareholders' mandate for FY2010 pursuant to Rule 920 of the Listing Manual (excluding transactions of less than S\$100,000)
Morton Bay (Holdings) Pte Ltd	US\$12.1 million
Ashmore Global Special Situations Fund 2 Limited	US\$1.06 million

The above transaction values represent interest expense and front-end fees on loans from interested persons. There was no transaction which was not conducted under the shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual for the financial period under review.

Material Contracts

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

Financial Statements

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Directors' Report

The directors of the Company ("Directors") submit this annual report to the members together with the audited financial statements of the Group and statement of financial position of the Company for the financial year ended 31 March 2010.

1. DIRECTORS

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

Seumas Dawes - Chairman
 Geoffrey Yeoh
 Steven Simpson
 Oscar Spieler
 David Chia
 Jeffrey Saile (appointed on 26 May 2010)

2. ARRANGEMENT TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

Except as disclosed in this report, no Director who held office at the end of the financial year had interests in shares, debentures or options of the Company or of related companies either at the beginning of the financial year (or date of appointment, if later) or at the end of the financial year.

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

	Holdings in the name of the Director, spouse or infant children	
	At beginning of year or date of appointment if later	At end of year
<u>The Company</u>		
<i>Ordinary Shares</i>		
Seumas Dawes	-	-
Geoffrey Yeoh	5,322,500	5,322,500
Oscar Spieler	-	-
Steven Simpson	142,000	262,000
David Chia	100,000	175,000
Jeffrey Saile	-	-
<i>Options to subscribe for ordinary shares</i>		
Oscar Spieler	-	5,000,000
Steven Simpson	-	5,000,000
David Chia	-	5,000,000
<i>Contingent award of shares to be delivered after 31 March 2010 pursuant to the Jasper Share Incentive Plan 2009</i>		
Geoffrey Yeoh	-	39,000,000

Directors' Report (Cont'd)

4. DIRECTORS' CONTRACTUAL BENEFITS

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

5. SHARE PLANS

(a) Jasper Share Option Plan 2009 and Jasper Share Incentive Plan 2009

The Jasper Share Option Plan 2009 (the "Share Option Plan") and the Jasper Share Incentive Plan 2009 (the "Share Incentive Plan") (collectively referred to as the "Share Plans") were approved and adopted by the members of the Company at an Extraordinary General Meeting held on 30 July 2009.

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

Seumas Dawes	-	Chairman (Non-Executive Director)
Oscar Spieler	-	Member (Non-Independent Non-Executive Director)
David Chia	-	Member (Independent Non-Executive Director)

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

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

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

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

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

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

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

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

5. SHARE PLANS (Cont'd)

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

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

(c) Unissued Shares under Options

During the financial year ended 31 March 2010, the aggregate number of share options granted under the Share Option Plan was 20,000,000, all of which remain outstanding. The options granted by the Company do not entitle the holders of the options, by virtue of such holdings, to any right to participate in any share issue of any other company.

No options have been granted to employees and non-executive directors of the Parent Group.

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

	Number of Holders	Date of Grant	Exercise Period	Exercise Price per share	Number of unissued shares under options
Non-Executive Directors of the Company	3	18 Nov 2009	18 Nov 2011 to 18 Nov 2014	S\$0.13 ⁽¹⁾	15,000,000
Group Employees	2	24 Mar 2010	24 Mar 2011 to 24 Mar 2016	S\$0.13	5,000,000
Total:	5				20,000,000

Note:

⁽¹⁾ The 15,000,000 unissued Shares under options granted to the Non-Executive Directors were granted at a discount of 8.45% to the market price of the Shares at the time of the grant of the options.

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

Option Participants	Options granted in the financial year ended 31 March 2010	Aggregate Options granted since the commencement of the Share Option Plan	Aggregate Options exercised since the commencement of the Share Option Plan	Aggregate Options lapsed or cancelled	Aggregate outstanding options as at 31 March 2010
Directors of the Company:					
Oscar Spieler	5,000,000	5,000,000	-	-	5,000,000
Steven Simpson	5,000,000	5,000,000	-	-	5,000,000
David Chia	5,000,000	5,000,000	-	-	5,000,000
Others participants:					
Employees of the Group	5,000,000	5,000,000	-	-	5,000,000
Total:	20,000,000	20,000,000	-	-	20,000,000

Directors' Report (Cont'd)

5. SHARE PLANS (Cont'd)

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

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

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

(e) Awards under the Share Incentive Plan

During the financial year, 980,000 ordinary shares in the Company were allotted and issued to participants of the Share Incentive Plan. The details of the Shares awarded during the financial year since the commencement of the Share Incentive Plan are as follows:

Share Incentive Plan Participants	Aggregate number of Shares comprised in awards granted during the year	Aggregate number of Shares comprised in awards granted since the commencement of the Share Incentive Plan	Aggregate number of Shares comprised in awards which have been released during the year	Aggregate number of shares comprised in awards which have lapsed or are cancelled	Aggregate number of shares comprised in awards which have not been released during the year
Directors of the Company:					
Geoffrey Yeoh	39,000,000	39,000,000	-	-	39,000,000
Others participants:					
Employees of the Group	12,460,000	12,460,000	980,000	-	11,480,000
Total:	51,460,000	51,460,000	980,000	-	50,480,000

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

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

6. AUDIT COMMITTEE

The members of the Audit Committee as at the date of this report are:

Steven Simpson	-	Chairman (Independent Non-Executive Director)
Oscar Spieler	-	Member (Non-Independent Non-Executive Director)
David Chia	-	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 statements of financial position of the Company and the consolidated financial statements of the Group before their submission to the Board of Directors; and
- interested party transactions (as defined in the Listing Manual of the SGX-ST).

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

7. INDEPENDENT AUDITOR

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

On behalf of the Board

GEOFFREY YEOH
Director

STEVEN SIMPSON
Director

Dated: 25 June 2010

Statement by Directors

In the opinion of the Directors,

- (a) the accompanying statement of financial position of the Company and the consolidated financial statements of the Group, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2010 and of results of the business, changes in equity and cash flows of the Group for the financial year ended on that date, and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors

GEOFFREY YEOH
Director

STEVEN SIMPSON
Director

Dated: 25 June 2010

Independent Auditor's Report

to the members of Jasper Investments Limited

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

Management's responsibility for the financial statements

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

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and statements of financial position and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Independent auditor's responsibility

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

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

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

Independent Auditor's Report (Cont'd)

to the members of Jasper Investments Limited

Opinion

In our opinion:

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2010 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.

Without qualifying our opinion, we draw attention to Note 2(a) to the financial statements which indicates that at the end of the financial year ended 31 March 2010, the Group's current liabilities exceeded its current assets by US\$56,121,000. The validity of the going concern assumption on which these financial statements are prepared depends on the Group's ability to generate revenue and cash flow within the next twelve months by securing drilling contracts from customers. If the Group is unable to continue as a going concern, adjustments would have to be made to reflect the situation that the assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts stated in the statements of financial position. In addition, the Group may have to provide for further liabilities which may arise. In forming our opinion, we have considered the adequacy of the disclosure of this matter in the financial statements.

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

Singapore, 25 June 2010

Statements of Financial Position

As at 31 March 2010

	Note	Group			Company		
		31 March 2010 US\$'000	31 March 2009 US\$'000 (restated)	1 April 2008 US\$'000	31 March 2010 US\$'000	31 March 2009 US\$'000	1 April 2008 US\$'000
Assets							
Non-Current							
Property, plant and equipment	4	540,642	760,838	581,341	188	272	63
Intangible asset	5	-	19,611	25,886	-	-	-
Investments	6	36	36	36	36	36	36
Subsidiaries	7	-	-	-	191,884	345,010	123,771
Associate	8	-	10,424	5,295	-	1,900	1,900
Joint venture	9	-	115	136	-	136	136
		540,678	791,024	612,694	192,108	347,354	125,906
Current							
Work-in-progress	10	-	2,585	1,512	-	-	-
Inventory	11	2,976	8,149	4,992	-	-	-
Trade and other receivables	12	1,490	14,881	11,130	295,188	774	1,261
Cash and bank balances	13	29,442	39,378	45,730	19,252	22,034	24,552
		33,908	64,993	63,364	314,440	22,808	25,813
Total assets		574,586	856,017	676,058	506,548	370,162	151,719
Equity							
Capital and Reserves							
Share capital	14	368,745	310,224	24,672	368,745	310,224	24,672
Retained profits		(88,350)	(16,059)	3,001	(64,415)	9,144	5,024
Other reserves	15	4,033	2,915	6,680	144	-	2,853
		284,428	297,080	34,353	304,474	319,368	32,549
Non-controlling interests		9,457	140,413	160,651	-	-	-
Total equity		293,885	437,493	195,004	304,474	319,368	32,549
Liabilities							
Non-Current							
Borrowings	16	190,672	113,427	199,673	190,672	50,000	115,000
Deferred tax liabilities	17	-	42	46	-	-	-
Interest rate swaps	18	-	1,759	-	-	-	-
		190,672	115,228	199,719	190,672	50,000	115,000
Current							
Trade and other payables	19	42,230	56,854	56,233	242	794	4,170
Borrowings	16	46,160	244,502	224,958	11,160	-	-
Current tax payable		1,639	1,940	144	-	-	-
		90,029	303,296	281,335	11,402	794	4,170
Total liabilities		280,701	418,524	481,054	202,074	50,794	119,170
Total equity and liabilities		574,586	856,017	676,058	506,548	370,162	151,719

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

Consolidated Income Statement

For the financial year ended 31 March 2010

	Note	2010 US\$'000	2009 US\$'000 (restated)
Revenue	3	78,886	127,182
Cost of sales		(65,238)	(66,301)
Gross profit		13,648	60,881
Interest income	20	154	687
Other income	21	65,410	5,307
Other expenses	22	(159,477)	(47,332)
Administrative and distribution expenses		(14,834)	(14,087)
Impairment of intangible assets		(18,042)	-
Interest expenses		(14,007)	(9,203)
Loss before taxation	23	(127,148)	(3,747)
Taxation	24	(25,959)	(41,162)
Loss after taxation from continuing operations		(153,107)	(44,909)
Profit from discontinued operations	25	2,294	6,395
Total loss for the year		(150,813)	(38,514)
Attributable to:			
Equity holders of the Company		(72,291)	(19,059)
Non-controlling interests		(78,522)	(19,455)
		(150,813)	(38,514)
Earnings/(loss) per share			
	26	Cents	Cents
<u>From discontinued operations</u>			
Basic earnings per share		0.132	0.589
Diluted earnings per share		0.132	0.589
<u>From continuing operations</u>			
Basic loss per share		(4.296)	(2.345)
Diluted loss per share		(4.295)	(2.345)

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2010

	Note	2010 US\$'000	2009 US\$'000
Loss for the year		(150,813)	(38,514)
Other comprehensive income for the year :			
Translation differences relating to financial statements of foreign subsidiaries	15	(1)	(383)
Increase in other reserve	15	144	-
Adjustment in hedging reserve		1,759	(1,759)
Other comprehensive income for the year, net of tax		1,902	(2,142)
Total comprehensive income for the year		(148,911)	(40,656)
Total comprehensive income attributable to :			
Equity holders of the Company		(71,173)	(20,418)
Non-controlling interests		(77,738)	(20,238)
Total comprehensive income for the year		(148,911)	(40,656)

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

Consolidated Statement of Changes in Equity

For the financial year ended 31 March 2010

Group	Share capital	Other reserve	Share option reserve	Exchange translation reserve	Hedging reserve restated	Total other reserves	Retained profits	Total	Non-controlling interests restated	Grand total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 April 2008	24,672	2,982	-	3,698	-	6,680	3,001	34,353	160,651	195,004
Issue of ordinary shares (Note 14)	283,145	-	-	-	-	-	-	283,145	-	283,145
Reclassification of exchange translation reserve	2,407	-	-	(2,407)	-	(2,407)	-	-	-	-
Total comprehensive income for the year	-	-	-	(383)	(975)	(1,358)	(19,060)	(20,418)	(20,238)	(40,656)
Balance at 31 March 2009	310,224	2,982	-	908	(975)	2,915	(16,059)	297,080	140,413	437,493
Issue of ordinary shares (Note 14)	58,521	-	-	-	-	-	-	58,521	-	58,521
Acquisition of additional shares from non-controlling interests	-	-	-	-	-	-	-	-	(53,218)	(53,218)
Total comprehensive income for the year	-	-	144	(1)	975	1,118	(72,291)	(71,173)	(77,738)	(148,911)
Balance at 31 March 2010	368,745	2,982	144	907	-	4,033	(88,350)	284,428	9,457	293,885

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2010

	2010 US\$'000	2009 US\$'000 (restated)
Cash Flows from Operating Activities		
Loss before taxation	(127,148)	(3,747)
Profit from discontinued operations, before taxation	2,923	7,641
Adjustments for:		
Write-off of property, plant and equipment	24	54
Write-off of negative goodwill on acquisition (Note C)	(3,081)	-
Allowance for inventory obsolescence	-	409
Depreciation of property, plant and equipment	14,894	19,098
Interest income	(154)	(687)
Interest expense	14,007	9,326
Amortisation of intangible asset	1,569	6,275
Loss/(gain) on disposal of property, plant and equipment	81,910	(91)
Gain on disposal of subsidiaries (Note B)	(469)	-
Gain on disposal of associate and joint venture	(11,650)	-
Gain on dilution of non-controlling interests (Note D)	(49,782)	-
Impairment in value of property, plant and equipment	62,000	39,553
Impairment of intangible asset	18,042	-
Share of profits of associate and joint venture	(3,751)	(7,182)
Operating (loss)/profit before working capital changes	(666)	70,649
Decrease/(increase) in inventories	1,009	(3,566)
Increase in work-in-progress	-	(1,073)
Decrease/(increase) in operating receivables	13,192	(2,975)
Decrease in operating payables	(11,970)	(38,160)
Cash generated from operations	1,565	24,875
Income taxes (paid)/recovered	(25,957)	136
Net cash (used in)/generated from operating activities	(24,392)	25,011
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment (Note A)	(83,749)	(225,532)
Acquisition from non-controlling interests in existing subsidiary (Note C)	(355)	-
Interest received	154	684
Proceeds from disposal of property, plant and equipment	150,032	121
Proceeds from disposal of associate and joint venture	22,353	-
Dividend from associate and joint venture	2,965	821
Net cash inflow from disposal of subsidiaries (Note B)	3,418	-
Net cash generated from/(used in) investing activities	94,818	(223,906)
Cash Flows from Financing Activities		
Proceeds from issue of new shares (Note E)	58,521	280,434
Interest paid	(20,910)	(22,667)
Fixed deposits pledged as security	-	(2,641)
Proceeds from/(repayment of) shareholder loan	151,832	(65,000)
Repayment of bank loan	(269,850)	(2,235)
Net cash (used in)/generated from financing activities	(80,407)	187,891
Net decrease in cash and cash equivalents	(9,981)	(11,004)
Effect of foreign exchange rate changes	45	2,011
Cash and cash equivalents at beginning	39,378	45,730
Cash and cash equivalents at end (Note 13)	29,442	36,737

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

Consolidated Statement of Cash Flows (Cont'd)

For the financial year ended 31 March 2010

Notes:

A. Acquisition of property, plant and equipment

During the financial year, the Group acquired plant and equipment with an aggregate cost of US\$90,653,000 (2009-US\$239,406,000) which included interest paid of approximately US\$6,904,000 (2009-US\$13,341,000) to fund the acquisition of these plant and equipment. Of this, US\$Nil (2009 - US\$533,000) was acquired by means of finance lease. Cash payments of US\$90,653,000 (2009 - US\$238,873,000) were made to purchase plant and equipment.

B. Disposal of subsidiaries

During the financial year, a subsidiary was sold for a cash consideration of US\$3,418,000. In 2009, three subsidiaries were struck off and one was sold for a cash consideration of US\$1. The assets disposed and liabilities discharged were as follows:

	2010 US\$'000	2009 US\$'000
<u>Net assets disposed of</u>		
Bank borrowings	(1,071)	-
Deferred taxation	(54)	-
Provision for taxation	(244)	-
Term loans	(209)	-
Property, plant and equipment	2,255	2
Work-in-progress	1,519	-
Inventories	2,535	-
Cash and bank balances	95	-
Receivables	1,363	15
Payables	(2,782)	(17)
	3,407	-
Exchange translation differences	(314)	-
Gain on disposal	469	-
Sale proceeds	3,562	-
Cash and bank balances disposed of	(95)	-
Net cash decrease in cash and cash equivalent	(49)	-
Net cash inflow from disposal of subsidiaries	3,418	-

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

During the financial year, the Group acquired an additional 1.34% interest in Neptune Marine Oil & gas Ltd ("Neptune Marine") for approximately US\$0.36 million in cash, increasing its shareholding from 55.44% to 56.78%. The net asset value of Neptune Marine in the consolidated financial statements on the date of the acquisition was approximately US\$256.4 million. With the increase in its interest in Neptune Marine, the Group recognised a decrease in non-controlling interest of approximately US\$3.4 million. This gave rise to a negative goodwill of approximately US\$3 million (Note 21).

Notes: (Cont'd)

C. Acquisition of additional shares in subsidiary from non-controlling interests (cont'd)

	2010 US\$'000	2009 US\$'000
<u>Non-controlling interests acquired</u>		
Non-controlling interests	3,436	-
Negative goodwill arising from consolidation	(3,081)	-
Purchase consideration	355	-
Cash and cash equivalents from the acquisition of additional shares in subsidiary from non-controlling interests		
	-	-
Less: Cash paid	(355)	-
Net cash outflow on acquisition of the non-controlling interests	(355)	-

D. Gain on dilution of non-controlling interests in a subsidiary

On 4 March 2010, the Company and its wholly owned subsidiary, Turquoise Offshore Pte Ltd subscribed for 58,425,255 new shares ("New Shares") in Neptune Marine pursuant to a preferential offering of new shares undertaken by Neptune Marine to its shareholders. The non-controlling shareholders did not subscribe for the preferential offer. With the issue and allotment of the New Shares, the Company now holds in aggregate 66,771,720 shares in Neptune Marine, representing 91.31% of its total issued share capital. The non-controlling shareholders had been diluted from 43.2% to 8.69%, giving rise to dilution of non-controlling interests of US\$49.8 million.

E. Issue of shares

	2010 US\$'000	2009 US\$'000
Issue of new shares	58,521	280,434

Notes to the Financial Statements

For the financial year ended 31 March 2010

1 General information

The Company is a limited liability company domiciled in Singapore.

The Company issued 659,530,330 new ordinary shares as part of a rights issue, which was completed on 29 May 2009. This exercise raised US\$58.5 million net of transaction costs, of which US\$50 million was used to repay a bridging loan from Morton Bay (Holding) Pte. Ltd. ("Morton Bay") and a further US\$6 million was used to partially finance the repayment of a bridging bank loan.

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

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

The financial statements of the Group and the Company for the year ended 31 March 2010 were authorised for issue in accordance with a resolution of the Directors on 25 June 2010.

The parent company is Morton Bay whose registered and business address is at 36 Carpenter Street, Singapore 059915.

2(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related interpretations promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below. As at 31 March 2010, the Group's current liabilities exceeded its current assets by US\$56,121,000. The validity of the going concern assumption on which these financial statements are prepared depends on the Group's ability to generate revenue and cash flow within the next twelve months by securing drilling contracts from customers. If the Group is unable to continue as a going concern, adjustments would have to be made to reflect the situation that the assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts stated in the statements of financial position. In addition, the Group may have to provide for further liabilities which may arise.

Significant accounting estimates and judgements

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

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

Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight line basis over their estimated useful lives. At each financial position date, judgement is used to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Changes in the expected level of usage and technological developments could impact the economic lives and residual value of these assets, therefore depreciation charges could be revised. When considering impairment indicators, the Group considers both internal and external sources.

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

Impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment have any indication of impairment in accordance with the accounting policy. The recoverable amounts of property, plant and equipment have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

Impairment in investment in subsidiaries

Determining whether investment in subsidiaries is impaired requires an estimation of the value-in-use of that investment. The value-in-use calculation requires the Group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the recoverability of the investment based on such estimates.

Income tax

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

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

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 (Note 10).

Impairment of bad and doubtful debts

The Group and the Company make allowances for bad and doubtful debts based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact carrying value of trade and other receivables and doubtful debts expenses in the year in which such estimate has been changed (Note 12).

Allowance for inventory obsolescence

Inventories are stated at the lower of cost and net realisable value. In determining the net realisable value, the directors estimate the future selling price in the ordinary course of business, less the estimated costs of selling expenses. The carrying amounts of inventories at the financial position date are disclosed in Note 11 to the financial statements.

Notes to the Financial Statements (Cont'd)

For the financial year ended 31 March 2010

2(b) Interpretation and amendments to published standards effective in 2009

On 1 April 2009, the Group and the Company adopted the new or amended FRS and INT FRS that are mandatory for application from 1 January 2009. This includes the following FRS and INT FRS which are relevant to the Group:

FRS 1 (Revised 2008)	Presentation of Financial Statements
Amendments to FRS 1 (Revised 2008)	Amendments Relating to Puttable Financial Instruments and Obligations Arising on Liquidation
FRS 23 (Revised)	Borrowing Costs
Amendments to FRS 27	Amendments Relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 32	Amendments Relating to Puttable Financial Instruments and Obligations Arising on Liquidation
Amendments to FRS 39	Amendments Relating to Reclassification of Financial Assets
Amendments to FRS 101	Amendments Relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 102	Amendments Relating to Vesting Conditions and Cancellation
Amendments to FRS 107	Amendments Relating to Reclassification of Financial Assets
Amendments to FRS 107	Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments
FRS 108	Operating Segments
Amendments to INT FRS 109 and FRS 39	Embedded Derivatives
INT FRS 113	Customer Loyalty Programmes
INT FRS 116	Hedges of a net investment in a foreign operation
Improvements to FRSs 2008	

The adoption of these FRS and INT FRS, where relevant to the Group, did not result in substantial changes to the Group's accounting policies nor any significant impact on these financial statements except for the following:-

FRS 1 (revised 2008) Presentation of financial statements (effective from 1 January 2009)

The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. All non-owner changes in equity are shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has chosen to adopt the latter alternative. Where comparative information is restated or reclassified, a restated statement of financial position is required to be presented as at the beginning comparative period. There is no restatement of the statement of financial position as at 1 April 2009 in the current financial year.

The "balance sheets" and "cash flow statements" have been re-titled to "statements of financial position" and "statement of cash flows" respectively.

FRS 23 (Revised) Borrowing Costs (effective from 1 January 2009)

As the Group has been capitalising borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset, the revised standard has no impact to the financial statements.

Amendments to FRS 107 Improving disclosures about financial instruments (effective from 1 January 2009)

The amendments require enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendments require disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendments results in additional disclosures but does not have an impact on the accounting policies and measurement bases adopted by the Group.

2(c) FRS not effective

At the date of authorisation of these financial statements, the following FRS and INT FRS were issued but not yet effective:

		Effective date (Annual periods beginning on or after)
FRS 27 (amended 2009)	Consolidated and Separate Financial Statements	01.07.2009
Amendment to FRS 32	Classification of Rights Issues	01.02.2010
Amendments to FRS 101	Additional Exemptions for First-time Adoptors	01.01.2010
Amendments to FRS 102	Group Cash-settled Share based Payment Transactions	01.01.2010
FRS 103 (revised 2009)	Business combinations	01.07.2009
Amendments to FRS 39	Financial instruments: Recognition and measurement - Eligible hedged items	01.07.2009
Amendments to INT FRS 109 and FRS 39	Embedded Derivatives	30.06.2009
INT FRS 117	Distributions of Non-cash Assets to Owners	01.07.2009
INT FRS 118	Transfer of Assets from Customers	01.07.2009
INT FRS 119	Extinguishing Financial Liabilities with Equity Instruments	01.07.2010

The directors do not anticipate that the adoption of the FRS and INT FRS, where relevant to the Group, in future periods will have a material impact on the consolidated financial statements of the Group, except as follows:

FRS 27 (Revised 2009) and FRS 103 (Revised 2009)

FRS 27 (Revised 2009) and FRS 103 (Revised 2009) will become effective for the Group's financial statements for the year ending 31 March 2011. FRS 103 (Revised 2009) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. The revised FRS 103 will be applied prospectively and therefore there will be no impact on prior periods in the Group's 2010 consolidated financial statements.

2(d) Summary of significant accounting policies**Consolidation**

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

The financial statements of the Group include the financial statements of the Company, its subsidiaries, Group's interest in associate and joint venture 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.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. They are presented in the consolidated statements of financial position within equity, separately from the parent shareholders' equity, and are separately disclosed in the consolidated income statement.

Notes to the Financial Statements (Cont'd)

For the financial year ended 31 March 2010

2(d) 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. Freehold land and property under development are not depreciated.

The cost of an asset comprises of 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 profit and loss.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

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.

The estimated useful lives of the major components of the drilling vessels are as follows:

Drilling vessels	10 to 15 years
Hand tools	7 years
Drilling and movable equipment	5 years

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

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

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

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

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit and loss. Recoverable amount is defined as the higher of value in use and net selling price.

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

Intangible assets

Other intangible assets

Intangible assets are accounted for using the cost model with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered finite useful lives. After initial recognition, they are carried out at costs less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing. Intangible assets are written off where, in the opinion of the directors, no further future economic benefits are expected to arise.

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

Intangible assets (Cont'd)

Goodwill

Goodwill acquired in a business combination is initially measured at costs being the excess of the cost of the business combinations over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Goodwill is tested for impairment on annual basis and is charged to the income statement.

Financial assets

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

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

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

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

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 financial position 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 as well as cash and bank balances in the statements of financial position.

Notes to the Financial Statements (Cont'd)

For the financial year ended 31 March 2010

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

Financial assets (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 financial position 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 are disposed of or are determined to be impaired, at which time the cumulative gains or losses previously recognised in equity is included in the 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.

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.

Derivatives financial instrument and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company documents at the inception of the transaction the relationship between the hedging instrument and hedged item, as well as its risk management objective and strategies for undertaking the hedge transaction. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivative designated as hedging instrument is highly effective in offsetting changes in fair value or cash flows of the hedged item.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

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

Cash flow hedge

The Group uses derivative financial instrument, being interest rate swap, to hedge its risks associated with interest rate fluctuations. The Group has designated this hedge as a cash flow hedge.

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in the hedging reserve, while the ineffective portion is recognised in the income statement.

Changes in the carrying amount of cash flow hedges are charged to the hedging reserve in equity. Amounts accumulated in equity are recycled to the income statement in the periods when the hedged item affects profit or loss. When the hedged transaction results in the recognition of a non-financial asset or liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a cash flow hedging instrument expires or sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised then the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss reported in equity is immediately transferred to income statement.

Club membership

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

Subsidiaries

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

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

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.

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. The Group's share of the post-acquisition results of associates, based on the latest available audited financial statements, is included in the consolidated income statement using the equity method of accounting. In applying the equity method, unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When 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.

Notes to the Financial Statements (Cont'd)

For the financial year ended 31 March 2010

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

Associates (Cont'd)

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 statements of financial position.

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

Work-in-progress

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 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.

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.

Inventories

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

Cost incurred in bringing each product to its present location and condition is accounted for as follows:

Raw materials	-	first-in first-out basis
Finished goods and work-in-progress	-	first-in first-out basis
Spare parts and consumables	-	first-in first-out basis

Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.

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

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

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

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.

Non-current assets

Non-current assets (or disposal groups) held-for-sale and discontinued operations

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

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

- (a) represents a separate major line of business or geographical area of operations; or
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) is a subsidiary acquired exclusively with a view to resale.

Share capital

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

Financial liabilities

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

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

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

Notes to the Financial Statements (Cont'd)

For the financial year ended 31 March 2010

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

Financial liabilities (cont'd)

Financial guarantees

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

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

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

Provisions

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

Borrowing costs

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

Leases

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 term to give a constant effective rate of charge on the remaining balance of the obligation.

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.

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

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 financial position 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 financial position date are used to determine deferred income tax.

Employee benefits

Defined contribution plan

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

Short-term benefits

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

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

Key management personnel

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

Employee Share Option Scheme

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

Notes to the Financial Statements (Cont'd)

For the financial year ended 31 March 2010

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

Employee benefits (Cont'd)

Employee Share Option Scheme (cont'd)

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

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

Related parties

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

Impairment of non-financial assets

The carrying amounts of the Group's and Company's non-financial assets subject to impairment are reviewed at each financial position 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.

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

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.

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

Revenue recognition

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

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

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

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

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

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

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.

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

Functional and presentation currency

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

Conversion of foreign currencies

Monetary assets and liabilities in foreign currencies are translated into functional currencies dollars at rates of exchange closely approximating those ruling at financial position 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.

Monetary items

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

Group entities

The results and financial position of all the entities within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing exchange rates at the financial position date;
- (ii) Income and expenses are translated at average exchange rates; and
- (iii) All resulting currency translation differences are recognised in the currency translation reserve in equity.

Notes to the Financial Statements (Cont'd)

For the financial year ended 31 March 2010

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

Conversion of foreign currencies (Cont'd)

Group entities (cont'd)

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

Financial instruments

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

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

Operating segments

Operating segments is reported in the manner consistent with the internal reporting provided to the chief executive officer who regularly reviews the segment results in order to allocate resources to the segments and to assess segment performance.

3 Revenue

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

Group	2010 US\$'000	2009 US\$'000 (restated)
Drilling contract revenue	76,137	111,039
Mobilisation fee	-	15,647
Services rendered	2,749	496
	78,886	127,182

4 Property, plant and equipment

Group	Construction in-progress US\$'000	Drilling Vessels US\$'000	Freehold Land and property US\$'000	Plant and machinery US\$'000	Motor vehicles US\$'000	Equipment, furniture and fittings US\$'000	Total US\$'000
Cost							
At 1 April 2008	194,544	400,798	717	1,024	128	1,352	598,563
Exchange adjustment	(41)	-	(90)	(98)	(15)	11	(233)
Additions	160,314	77,339	148	665	232	708	239,406
Disposals	-	-	-	(203)	-	(270)	(473)
Reclassification	(289)	209	8	285	-	(213)	-
At 31 March 2009	354,528	478,346	783	1,673	345	1,588	837,263
Exchange adjustment	9	-	93	177	4	3	286
Additions	92,927	898	-	-	-	36	93,861
Disposals	(3,085)	(281,999)	(876)	(1,850)	(134)	(40)	(287,984)
At 31 March 2010	444,379	197,245	-	-	215	1,587	643,426
Accumulated depreciation and impairment loss							
At 1 April 2008	-	16,229	-	478	72	443	17,222
Exchange adjustment	-	956	-	(46)	(7)	38	941
Depreciation for the year	-	18,246	4	316	66	466	19,098
Impairment in value	-	39,553	-	-	-	-	39,553
Disposals	-	-	-	(173)	-	(216)	(389)
At 31 March 2009	-	74,984	4	575	131	731	76,425
Exchange adjustment	-	-	1	66	1	1	69
Depreciation for the year	-	14,419	-	-	40	435	14,894
Impairment in value	-	62,000	-	-	-	-	62,000
Disposals	-	(49,850)	(5)	(641)	(96)	(12)	(50,604)
At 31 March 2010	-	101,553	-	-	76	1,155	102,784
Net book value							
At 31 March 2010	444,379	95,692	-	-	139	432	540,642
At 31 March 2009	354,528	403,362	779	1,098	214	857	760,838

Included in the cost of drilling vessels as at 31 March 2010 is an amount of US\$95,692,000 (2009 - US\$167,538,000) for which depreciation was not charged as one of the modified drilling vessels was still undergoing upgrading and was therefore not ready for use. The drilling vessels were mortgaged as security for bank facilities (Note 16).

Notes to the Financial Statements (Cont'd)

For the financial year ended 31 March 2010

4 Property, plant and equipment (Cont'd)

Company	Motor vehicle US\$'000	Equipment, furniture and fittings US\$'000	Total US\$'000
Cost			
At 1 April 2008	-	147	147
Additions	160	155	315
Disposals	-	(91)	(91)
At 31 March 2009	160	211	371
Disposals	-	(3)	(3)
At 31 March 2010	160	208	368
Accumulated depreciation			
At 1 April 2008	-	84	84
Depreciation for the year	25	42	67
Disposals	-	(52)	(52)
At 31 March 2009	25	74	99
Depreciation for the year	30	51	81
At 31 March 2010	55	125	180
Net book value			
At 31 March 2010	105	83	188
At 31 March 2009	135	137	272

Net book values include assets under finance lease as follows:

	Group 2010 US\$'000	2009 US\$'000
Construction in-progress	444,379	354,528

The drilling vessels comprise a significant portion of the Group's assets. The carrying amount of the Group's drilling vessels was US\$95,692,000 (2009 - US\$403,362,000) and drilling vessels under construction was US\$444,379,000 (2009 - US\$354,452,000) as at 31 March 2010.

The Group evaluates any indication of impairment in the property, plant and equipment at each financial position date.

Due to a slowdown in the offshore oil services industry, a subsidiary recognised an impairment loss of US\$62,000,000 (2009 - US\$39,553,000) during the year to write down the value of its drilling vessel. The carrying amount of the asset was reduced to its recoverable amount which was based on its value in use amount over the remaining life of the drilling vessel and discounted to present value at a rate of 12.5% (2009 - 12.3%).

One of the drilling vessels, which have a total net book value of US\$464,341,000 (2009 - US\$757,814,000), has been mortgaged to the financial institutions as security for bank borrowings (Note 16).

5 Intangible asset

Intangible asset is attributable to the long term drilling contract signed with a state oil company. This was recognised upon the acquisition of Neptune Marine Oil & Gas Limited.

	Group	
	2010 US\$'000	2009 US\$'000
Cost		
Balance at beginning	27,716	27,716
Disposal	(27,716)	-
Balance at end	-	27,716
Accumulated amortisation		
Balance at beginning	8,105	1,830
Amortisation charge during the year	1,569	6,275
Impairment charge during the year (Note 23)	18,042	-
Disposal	(27,716)	-
Balance at end	-	8,105
Carrying amount	-	19,611

The intangible asset had a finite life and was amortised on a straight-line basis over its estimated economic useful life. Impairment was assessed whenever there was an indication that the intangible asset may be impaired. As at 31 March 2009, the intangible asset had a remaining useful life of approximately 3 years.

An impairment charge of US\$18,042,000 (2009 - Nil) arose during the year as a result of the assignment of long-term drilling contract to a third party.

6 Investments

	Group and Company	
	2010 US\$'000	2009 US\$'000
Club membership, at cost	116	116
Allowance for impairment of club membership	(80)	(80)
	36	36

7 Subsidiaries

	Company	
	2010 US\$'000	2009 US\$'000
Unquoted shares, at cost	*	1,448
Amount owing by subsidiaries - long-term loan	191,884	343,562
	191,884	345,010

* Less than US\$1,000.

Amount owing by subsidiaries - long-term loan			
- secured loan	(i)	68,803	68,803
- unsecured loan			
- # 1	(ii)	123,081	240,928
- # 2	(iii)	-	33,831
		191,884	343,562

Notes to the Financial Statements (Cont'd)

For the financial year ended 31 March 2010

7 Subsidiaries (Cont'd)

- (i) The secured loan bears interest at 18% per annum (2009 – 18%) and is not expected to be repaid within 12 months. Interest is based on market rates for this loan. The loan is secured by a mortgage over the drilling vessel, the Neptune Finder.
- (ii) Included in unsecured loans of US\$123,081,000 (2009 - US\$240,928,000) are quasi-equity loan of US\$122,807,000 (2009 - US\$240,836,000) which represents an extension of the Company's net investment in the subsidiary. There are no fixed terms of repayment for these loans as the settlement is neither planned nor likely to be settled in the foreseeable future.
- (iii) Unsecured loan of US\$33,831,000 as at 31 March 2009 had been repaid during the year. The interest charged was 18% per annum. Interest was based on market rates for this loan.

The subsidiaries are as follows:

Name	Country of incorporation	Effective percentage of equity held		Principal activities
		2010	2009	
		%	%	

Held by the Company

* Turquoise Offshore Pte Ltd	Singapore	100.00	100.00	Investment holding
@ ECI Corporation Pte Ltd	Singapore	-	100.00	Precasting of concrete products and investment holding
** JIL Ltd	British Virgin Islands	100.00	100.00	Investment holding
*** Amethyst Capital Ltd ⁽¹⁾	Mauritius	90.00	-	Investment holding, treasury and finance

Held by the Company's subsidiaries

*** Neptune Marine Oil & Gas Ltd	Cyprus	91.31	55.44	Investment holding
* Neptune Marine & Drilling Pte Ltd	Singapore	91.31	55.44	Offshore drilling services
*** Neptune Marine Invest AS ⁽²⁾	Norway	91.31	55.44	Owner of drilling rigs
*** Neptune Marine Oil & Gas Ltd	Scotland	91.31	55.44	Project management
* Neptune Finder Pte Ltd	Singapore	91.31	55.44	Owner of drilling rig
* Neptune Explorer Pte Ltd ⁽¹⁾	Singapore	91.31	-	Owner of drilling rig
* NM Drilling Pte Ltd ⁽¹⁾	Singapore	91.31	-	Offshore drilling services

7 Subsidiaries (Cont'd)

Name	Country of incorporation	Effective percentage of equity held		Principal activities
		2010	2009	
		%	%	
Ⓐ Rig Services Ltd #	British Virgin Islands	-	55.44	Offshore support services
Ⓐ ECI Berjaya Sdn Bhd	Malaysia	-	100.00	Precasting of concrete products
*** Amethyst Capital Ltd ⁽¹⁾	Mauritius	10.00	-	Investment holding, treasury and finance

* Audited by Foo Kon Tan Grant Thornton LLP.

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

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

Ⓐ Disposed of during the year.

Not required to be audited under the laws of the country of its incorporation. It is held in trust by the common directors of the subsidiaries.

(1) Incorporated during the year.

(2) Subsequent to year end, this subsidiary is in the process of being dissolved.

8 Associate

	Group		Company	
	2010	2009	2010	2009
	US\$'000	US\$'000	US\$'000	US\$'000
Unquoted shares, at cost	-	1,900	-	1,900
Share of net post-acquisition profits:				
Balance at beginning	-	3,395	-	-
Profit for the year	-	7,179	-	-
Taxation for the year	-	(1,230)	-	-
Dividend received for the year	-	(820)	-	-
Balance at end	-	8,524	-	-
	-	10,424	-	1,900

Name	Country of incorporation	Effective percentage of equity held		Principal activities
		2010	2009	
		%	%	
Resource Holdings Limited	Singapore	-	45	Foundation engineering and piling works

Notes to the Financial Statements (Cont'd)

For the financial year ended 31 March 2010

8 Associate (Cont'd)

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

	2010 US\$'000	2009 US\$'000
Assets	-	31,439
Liabilities	-	15,539
Revenue	-	80,612
Profit before taxation	-	16,024
Taxation	-	2,734

The associate was disposed of during the year.

9 Joint venture

	Group		Company	
	2010 US\$'000	2009 US\$'000	2010 US\$'000	2009 US\$'000
Investment in unquoted shares in joint venture, at cost	-	1,165	-	1,165
Share of net post-acquisition loss	-	(21)	-	-
	-	1,144	-	1,165
Allowance for impairment	-	(1,029)	-	(1,029)
	-	115	-	136

Name	Country of incorporation	Effective percentage of equity held		Principal activities
		2010	2009	
		%	%	

Zhejiang Econ Foundation Engineering Co Ltd	China	-	55	Foundation engineering works
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The summary of the financial information of the joint venture is as follows:

	2010 US\$'000	2009 US\$'000
Assets	-	7,952
Liabilities	-	5,307
Revenue	-	29,866
Profit before taxation	-	4
Taxation	-	25

With respect to financial year ended 2009, although the Group had a long-term equity interest of more than 50%, the Group had no control but only had significant influence over the financial and operating policy decisions of the joint venture.

The joint venture was disposed of during the year.

10 Work-in-progress

	Group	
	2010 US\$'000	2009 US\$'000
Costs	-	9,197
Attributable profits	-	482
	-	9,679
Progress billings	-	(7,094)
	-	2,585

11 Inventory

	Group	
	2010 US\$'000	2009 US\$'000
Critical spare parts and consumables, at cost	2,976	3,984
Trading goods - building materials, at net realisable value	-	4,165
	2,976	8,149

A specific provision for inventory obsolescence, amounting to US\$Nil (2009 - US\$409,000) was provided for during the financial year.

12 Trade and other receivables

	Group		Company	
	2010 US\$'000	2009 US\$'000	2010 US\$'000	2009 US\$'000
Trade receivables				
Subsidiaries	-	-	299,033	4,776
Allowance for impairment	-	-	(4,639)	(4,264)
	-	-	294,394	512
Third parties	18	13,807	-	-
Allowance for impairment	-	(803)	-	-
	18	13,004	-	-
Net trade receivables	18	13,004	294,394	512
Deposits and prepayments	754	1,564	133	91
Sundry debtors	731	241	731	142
Tax recoverable	61	145	4	102
Interest receivable	-	3	-	3
	1,564	14,957	295,262	850
Allowance for impairment - sundry debtors	(74)	(76)	(74)	(76)
	1,490	14,881	295,188	774

Notes to the Financial Statements (Cont'd)

For the financial year ended 31 March 2010

12 Trade and other receivables (Cont'd)

Group and Company

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

	Group		Company	
	2010 US\$'000	2009 US\$'000	2010 US\$'000	2009 US\$'000
<u>Trade receivables - subsidiaries</u>				
Balance at beginning of financial year	-	-	4,264	4,701
Currency translation difference	-	-	375	(437)
Balance at end of financial year	-	-	4,639	4,264
<u>Trade receivables - third parties</u>				
Balance at beginning of financial year	803	1,686	-	-
Currency translation difference	-	(1)	-	-
Allowance for impairment	-	798	-	-
Allowance written off	(798)	(1,680)	-	-
Disposal of subsidiaries	(5)	-	-	-
Balance at end of financial year	-	803	-	-
<u>Sundry debtors</u>				
Balance at beginning of financial year	76	24	76	24
Currency translation difference	(2)	(8)	(2)	(8)
Allowance for impairment	-	61	-	61
Allowance written off	-	(1)	-	(1)
Balance at end of financial year	74	76	74	76

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

	Group		Company	
	2010 US\$'000	2009 US\$'000	2010 US\$'000	2009 US\$'000
Past due 0 to 3 months	-	12,456	-	12
Past due 3 to 6 months	-	446	-	3
Past due over 6 months	18	102	-	497
	18	13,004	-	512

Further details of credit risks on trade and other receivables are disclosed in Note 32.

Company

Included in sundry debtors are advances to a former subsidiary, which bear interest at rates of 6.5% - 20% (2009 - 6.5% - 18%) per annum and are repayable on demand.

13 Cash and bank balances

	Group		Company	
	2010 US\$'000	2009 US\$'000	2010 US\$'000	2009 US\$'000
Fixed deposits	3,935	20,738	3,561	20,658
Cash and bank balances	25,507	18,640	15,691	1,376
	29,442	39,378	19,252	22,034
Fixed deposits pledged to bank	-	(2,641)	-	-
Cash and cash equivalents	29,442	36,737	19,252	22,034

As at 31 March 2009, certain fixed deposits of the Group had been pledged to secure letters of guarantee provided by a bank to other parties. The effective interest earned on fixed deposit was 0.34% per annum.

The unpledged fixed deposits have a term of maturity of three months or less from statements of financial position date. The effective interest earned on fixed deposit is 0.4% (2009 - 1.2%) per annum.

14 Share capital

	2010 Number of shares	2009 Number of shares	2010 US\$'000	2009 US\$'000
Group and Company				
Issued and paid up, with no par value				
Balance at beginning				
Ordinary shares	1,186,171,830	9,579,417,415	310,224	24,672
Issue of ordinary shares (a)	659,530,330	19,158,834,830	58,431	280,434
	1,845,702,160	28,738,252,245	368,655	305,106
Consolidation 25 shares into 1 share	-	1,149,529,959	-	-
Issue of ordinary shares (b)	980,000	36,641,871	90	2,711
Transfer from other reserves account	-	-	-	2,407
Balance at end	1,846,682,160	1,186,171,830	368,745	310,224

(a) On 29 May 2009, the Company allotted 659,530,330 new ordinary shares in the Company at an issue price S\$0.13 pursuant to a Rights Issue. Following the Rights Issue, the issued paid up share capital of the Company increased from 1,186,171,830 to 1,845,702,160 ordinary shares.

(b) On 8 January 2010, the Company issued and allotted 980,000 new shares pursuant to the Company Share Incentive Plan.

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

Notes to the Financial Statements (Cont'd)

For the financial year ended 31 March 2010

14 Share capital (Cont'd)

Share-based compensation

Share Options

The Jasper Share Option Plan ("Share Option Plan"), which has been approved by the shareholders of the Company in July 2009, is administered by the Remuneration Committee.

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

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

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

	Number of share options
Group and Company	
Outstanding at the beginning of financial year	-
Granted during the financial year	20,000,000
Outstanding at end of financial year	20,000,000

On 18 November 2009 and 24 March 2010, the Company granted 15,000,000 options and 5,000,000 options under the Share Option Plan with estimated fair values of S\$0.04438 and S\$0.02850, respectively. These options have weighted average remaining contractual lives of 5 years and 6 years respectively. At the date of grant of these options, the weighted average share prices of the Company were S\$0.14 and S\$0.11 respectively.

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

	2010	
	18.11.2009	24.03.2010
Date of grant	18.11.2009	24.03.2010
Prevailing share price at grant	S\$0.14	S\$0.11
Exercise price	S\$0.13	S\$0.13
Expected volatility	30%	30%
Expected life	5 years	6 years
Risk free rate	1.37%	1.47%
Expected dividend yield	Nil	Nil

The expected volatility is determined by calculating the historical share price of the Company over the previous 12 months. The expected life used in the model had been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

15 Other reserves

	Group			Company		
	2010 US\$'000	2009 US\$'000	2008 US\$'000	2010 US\$'000	2009 US\$'000	2008 US\$'000
(a) Exchange translation reserve						
Balance at beginning	908	3,698	502	-	2,853	-
Currency translation difference	(1)	(383)	3,196	-	-	2,853
Transfer to share capital and retained profits	-	(2,407)	-	-	(2,853)	-
Balance at end	907	908	3,698	-	-	2,853
(b) Option reserve (Note 14)						
Balance at beginning	-	-	414	-	-	414
Movement during the year	144	-	(414)	144	-	(414)
Balance at end	144	-	-	144	-	-
(c) Other reserves						
Balance at beginning and at end	2,982	2,982	2,982	-	-	-
(d) Hedging reserve						
Balance at beginning	(975)	-	-	-	-	-
Movement during the year	975	(975)	-	-	-	-
Balance at end	-	(975)	-	-	-	-
Total other reserves	4,033	2,915	6,680	144	-	2,853

- (a) Exchange translation reserve arises from the translation of foreign subsidiaries' financial statements.
- (b) The Company has adopted the Binomial pricing model to value the options that were issued on 18 November 2009 and 24 March 2010 pursuant to grant of options under the Share Option Plan. The share options are valued at approximately US\$665,700 and US\$171,000 respectively. Details of the share options are set out in Note 14.
- (c) These reserves are not available for distribution as dividends. Other reserves principally represent reserves of subsidiaries which were capitalised as bonus issues in previous years.
- (d) Hedging reserve comprises the fair value of interest rate swaps entered into by the Group to hedge bank borrowings. On 23 December 2009, this hedging agreement was terminated due to early settlement of bank borrowing and the balance had been fully paid.

Notes to the Financial Statements (Cont'd)

For the financial year ended 31 March 2010

16 Borrowings

	Group		Company	
	2010 US\$'000	2009 US\$'000	2010 US\$'000	2009 US\$'000
Non-Current Liabilities				
Obligations under finance lease (a)	-	260	-	-
Term loans - secured (b)	-	63,167	-	-
Loan from controlling shareholder - unsecured (c)	190,672	50,000	190,672	50,000
	190,672	113,427	190,672	50,000
Analysed as follows:				
Due later than one year and not later than five years	190,672	113,427	190,672	50,000
Due later than five years	-	-	-	-
	190,672	113,427	190,672	50,000
Current Liabilities				
Obligations under finance lease (a)	-	226	-	-
Term loans - secured (b)	35,000	241,904	-	-
Loans - unsecured	-	2,372	-	-
Loan from controlling shareholder - unsecured (c)	11,160	-	11,160	-
	46,160	244,502	11,160	-

a) Obligations under finance lease

	Group	
	2010 US\$'000	2009 US\$'000
Minimum lease payments payable:		
Due not later than one year	-	243
Due later than one year and not later than five years	-	283
	-	526
Finance charges allocated to future periods	-	(40)
Present value of minimum lease payments	-	486
Present value of minimum lease payments:		
Due not later than one year	-	226
Due later than one year and not later than five years	-	260
	-	486

As at 31 March 2010, obligation under finance lease was discharged along with the disposal of a subsidiary. The effective interest rate charged on hire-purchase was 5% per annum (2009 - 5%).

16 Borrowings (Cont'd)

(b) Term loans - secured

Included in the secured bank loans of the Group as at 31 March 2010 are the following:

An amount of US\$35 million (2009 - Nil) secured, *inter alia*, by:

- a first priority mortgage over one of the Group's drilling vessel, Neptune Explorer
 - an assignment of insurances
 - a corporate guarantee given by the Company (Note 30)
 - a pledge on the shares of a subsidiary
- Interest rate is determined and fixed quarterly. The effective interest rate is 5.575% per annum.
 - The loan is repayable on 31 July 2010. Subsequent to year-end, there has been a revision in the loan facility (Note 37).

During the year, the following loans had been fully repaid and the mortgages relating to the loans had been discharged:

(1) An amount of US\$ Nil (2009 - US\$100.8 million) secured, *inter alia*, by:

- a mortgage over the drilling vessel, the Neptune Discoverer
 - an assignment of insurances
 - an assignment of the bare boat charter of the drilling vessel owned by a subsidiary
- As a condition for the bank loan, interest rate swaps were entered with banks whereby it paid fixed interest rate between 2.455% and 3.147% (2009 - 2.455% and 3.147%) per annum [Note 15(d)] and received a floating rate equal to 3-months' LIBOR.
 - The effective interest rate for the loan was 6.156% (2009 - 6.156%) per annum.
 - The financial covenants for the term loan included:-
 - (i) maintenance of Debt Service Cover Ratio of not less than 1:2:1
 - (ii) maintenance of a minimum liquidity of at least US\$7,500,000

In addition to the above financial covenants, there were other covenants typical for a loan of this nature which the Group has to observe.

- With respect to the breaches arising from the cancellation of charter contract for Neptune Explorer, an agreement had been reached with various financial institutions to have the breaches waived.
- The delay in obtaining the standby letter of credit from the customer resulted in the cancellation of the drilling contract of the drilling vessel, Neptune Discoverer and the drilling vessel was sold subsequently (Note 4). The loan was repaid in full with proceeds from the sale of Neptune Discoverer.

(2) An amount of US\$Nil (2009 - US\$170 million) secured, *inter alia*, by:

- a mortgage over the drilling vessel, the Neptune Explorer
 - an assignment of insurances
 - a pledge on the shares of a subsidiary
- The effective interest rate was 6.479% (2009 - 6.479%) per annum.

(3) An amount of US\$Nil (2009 - US\$35 million) secured, *inter alia*, by:

- a mortgage over the drilling vessel, the Neptune Finder
 - an assignment of insurances
 - a corporate guarantee given by the Company
 - a pledge on the shares of a subsidiary
- The effective interest rate was 6.490% (2009 - 5.575%) per annum.

Notes to the Financial Statements (Cont'd)

For the financial year ended 31 March 2010

16 Borrowings (Cont'd)

(b) Term loans - secured (Cont'd)

- (4) An amount of US\$Nil (2009 - US\$222,000) secured by a mortgage over a subsidiary's freehold property. Interest rate was charged at 3.48% (2009 - 3.48%) per annum. The subsidiary was sold during the year.

(c) Loan from controlling shareholder - unsecured

The loan comprise non-current portion of US\$190,672,000 (2009 - US\$50,000,000) and current portion of US\$11,160,000 (2009 - Nil) from Morton Bay, the controlling shareholder which are unsecured and bear interest at LIBOR plus 6% (2009: Nil) and 15%, respectively. The current portion has a repayment date on 7 July 2010 while the non-current portion has a repayment date on 30 June 2011.

The US\$50,000,000 loan outstanding as at 31 March 2009 from Morton Bay was repaid on May 2009.

The contractual maturities of financial liabilities including interest payments and excluding the impact of netting agreements is disclosed in Note 32.

17 Deferred tax liabilities

	Group	
	2010	2009
	US\$'000	US\$'000
Balance at beginning	42	46
Exchange adjustment	-	(4)
Disposal	(42)	-
Balance at end	-	42

The deferred tax liabilities arises as a result of tax on:
Excess of net book value over tax written down value of
property, plant and equipment

	-	42
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18 Interest rate swaps

	Group	
	2010	2009
	US\$'000	US\$'000
Cash flow hedge		
- Interest rate swap, at fair value	-	1,759

As a condition to the term loan provided by financial institutions, the Group had entered into interest rate swaps with an aggregate notional amount of US\$90,000,000 whereby it pays fixed interest rate between 2.455% and 3.147% per annum and receives a floating rate equal to 3-months' LIBOR. This agreement which expired on 11 June 2012 had been terminated on 23 December 2009 along with full repayment of the term loan.

19 Trade and other payables

	Group		Company	
	2010 US\$'000	2009 US\$'000	2010 US\$'000	2009 US\$'000
Trade payables				
Third parties	33,264	37,566	18	75
Advances received	4,705	1	-	-
Deposits received	-	141	-	-
Accrued expenses	4,118	18,476	81	78
Withholding tax - staff	-	29	-	-
Sundry creditors	143	641	143	641
	42,230	56,854	242	794

Trade payables balances are normally on 30 days credit terms.

20 Interest income

	Group	
	2010 US\$'000	2009 US\$'000
Fixed deposits	154	687

21 Other income

	Group	
	2010 US\$'000	2009 US\$'000 (restated)
Gain on disposal of assets held for sale	-	57
Gain on disposal of unquoted investments	-	14
Gain on disposal of subsidiary	586	-
Gain on disposal of associate and joint venture	11,650	-
Gain on dilution of interest in a subsidiary company	49,782	-
Negative goodwill arising from additional acquisition of shares in a subsidiary	3,081	-
Recovery of debts - non-trade	-	214
Reversal of provision for claims no longer required	-	5,000
Miscellaneous income	311	22
	65,410	5,307

Notes to the Financial Statements (Cont'd)

For the financial year ended 31 March 2010

22 Other expenses

	Group	
	2010 US\$'000	2009 US\$'000 (restated)
Allowance for inventory obsolescence	-	(409)
Bank transaction fees	(2,615)	(7,302)
Bad debts written off and impairment of trade receivable	-	(61)
Discount to customer	(7,006)	-
Professional fees for disposal of property, plant and equipment	(3,330)	-
Loss on interest rate swaps	(2,581)	-
Loss on disposal of property, plant and equipment	(81,910)	-
Impairment of property, plant and equipment (Note 4)	(62,000)	(39,553)
Others	(35)	(7)
	(159,477)	(47,332)

23 Profit before taxation

	Note	Group	
		2010 US\$'000	2009 US\$'000
Profit before taxation is stated after charging/(crediting):			
Audit fee			
- auditors of the company			
- current year		154	148
- over provision in prior year		(10)	-
- other auditors			
- current year		33	53
- under provision in prior year		-	234
Non-audit fees			
- auditors of the company		20	29
- other auditors		133	82
Depreciation of property, plant and equipment	4	14,894	19,098
Directors' fees		182	275
Directors' remuneration			
- Directors of the Company			
- salaries and related costs		742	620
- CPF contributions		4	5
- Directors of subsidiaries			
- salaries and related costs		1,540	1,022
- CPF contributions		22	8
Staff costs (excluding directors' remuneration):			
- salaries and related costs		16,712	23,216
- CPF contributions		171	265
Total staff costs		19,191	25,136
Exchange loss/(gain)		1,376	(647)
Impairment of intangible asset	5	18,042	-
Operating lease rentals - yard space and land		-	286
Allowance for impairment - trade receivables		-	798
Allowance for inventory obsolescence		-	409

24 Taxation

	Group			
	Discontinued operations		Continuing operations	
	2010	2009	2010	2009
	US\$'000	US\$'000	US\$'000	US\$'000
Current taxation	629	1,346	25,775	41,159
Under/(over) provision of taxation in respect of prior years	-	(100)	184	3
	629	1,246	25,959	41,162

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			
	Discontinued operations		Continuing operations	
	2010	2009	2010	2009
	US\$'000	US\$'000	US\$'000	US\$'000
Profit/(loss) before taxation	2,923	7,641	(127,148)	(3,747)
Tax at statutory rate of 17% (2009 - 17%)	497	1,299	(21,615)	(637)
Tax effect on non-deductible expenses	132	60	6,144	9,348
Tax effect on non-taxable income	-	-	(3,618)	(24,204)
Utilisation of deferred tax assets on temporary differences in previous years not recognised	-	-	4,930	5,686
Deferred tax assets on temporary differences not recognised	-	-	4,349	443
Differences in foreign tax rates	-	9	35,585	50,523
Singapore statutory stepped income	-	(3)	-	-
Group relief	-	(19)	-	-
	629	1,346	25,775	41,159

The Group has unutilised capital allowances and tax losses amounting to approximately US\$Nil (2009 - US\$Nil) and US\$49,541,850 (2009 - US\$4,209,924) 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 US\$8,422,000 (2009 - US\$363,000) have not been recognised as the realisation in the future is uncertain.

As with other similar foreign entities operating in Venezuela, the Group paid withholding tax upfront to the local tax authority at 30.6% on its gross revenue for its drillings operations there. However, the Group is entitled to file its tax position at 34% on its net operating income at the end of the fiscal year, subject to tax rules and regulations under the Venezuelan tax regime. If it is determined that the withholding tax paid is higher than the tax obligation if tax is calculated at 34% of net operating income, then the Venezuelan Tax Authority may issue a tax credit to the company for the amount of tax overpaid. However, in preparing the accounts, the Group has adopted a conservative approach and not included this potential tax credit in its financial results as there are uncertainties regarding the recoverability of the tax credit.

Notes to the Financial Statements (Cont'd)

For the financial year ended 31 March 2010

25 Discontinued operations

Discontinued operations reflect the Group's activities in building services which were disposed of during the financial year. The divestment of the non-core business is in alignment with the Group's strategy to be serious contender in the offshore oil and gas drilling and services sector.

The Group had divested its non-core 45% equity interest in its associate, Resource Holdings Limited, which engaged in foundation engineering and piling works, 100% stake in ECI Corporation Pte Ltd and its subsidiary which manufacture precast building components and 55% stake in Zhejiang Econ Foundation Engineering Co. Ltd, its joint venture which engaged in foundation engineering works.

The revenues, expenses and results from the ordinary operations of the building services business for the year ended 31 March are as follows: -

	2010 US\$'000	2009 US\$'000
Revenue	10,882	18,984
Cost of sale	(10,244)	(17,017)
Operating expenses	(1,351)	(1,386)
Share of profit of associate and joint venture	3,751	7,182
	3,038	7,763
Finance expenses	(115)	(122)
Profit from discontinued operations before taxation	2,923	7,641
Taxation	(629)	(1,246)
Profit from discontinued operations after taxation	2,294	6,395

The cash flow attributable to the building services division is as follows: -

	2010 US\$'000	2009 US\$'000
Operating activities	1,400	(1,510)
Investing activities	(392)	(485)
Financing activities	(1,126)	1,945
Net cash outflow from discontinued operations	(118)	(50)

26 Earnings/(loss) per share

Group

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

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

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

	2010 US Cents	2009 US Cents
<u>From discontinued operations</u>		
Basic earnings per share	0.132	0.589
Diluted earnings per share	0.132	0.589
<u>From continuing operations</u>		
Basic loss per share	(4.296)	(2.345)
Diluted loss per share	(4.295)	(2.345)

The calculation of earnings/(loss) per share attributable to ordinary equity holders of the company is based on the following:

	2010 US\$'000	2009 US\$'000
<u>From discontinued operations</u>		
Net profit attributable to ordinary shareholders of the Company	2,294	6,395
<u>From continuing operations</u>		
Net loss attributable to ordinary shareholders of the Company	(74,585)	(25,454)

Number of shares used for the calculation of earnings/(loss) per share for discontinued operations and continuing operations are as follows:

	No. (in thousands)	No. (in thousands)
Weighted average number of ordinary shares for purposes of		
basic earnings per share	1,736,025	1,085,667
Effects of dilution:		
Share options	402	-
Weighted average number of ordinary shares for purposes of diluted earnings per share	1,736,427	1,085,667

Notes to the Financial Statements (Cont'd)

For the financial year ended 31 March 2010

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:

	2010 US\$'000	2009 US\$'000
Interest and incidental expenses on loans from parent company	13,155	-
Short-term benefit costs to key management personnel (directors)	2,308	1,655

28 Capital commitments

As at the financial position date, the Group had the following capital commitments in respect of property, plant and equipment:

	Group	
	2010 US\$'000	2009 US\$'000
Expenditure authorised and contracted for the upgrading for drilling vessel and building, classified under construction in-progress	6,577	9,987
Expenditure authorised but not contracted for the upgrading for drilling vessel, classified under construction in-progress	-	41,209

29 Operating lease commitments (non-cancellable)

Operating lease commitments (as lessee)

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

	Group	
	2010 US\$'000	2009 US\$'000
Not later than one year	1,169	1,820
Later than one year and not later than five years	1,054	3,531

The leases on the Group's office premises on which rentals are payable will expire on 31 July 2011 and the current rent payable on the leases are US\$42,220 to US\$54,690 per month and are subject to revision on renewal or yearly revision.

The lease on the photocopiers on which rental are payable will expire earliest on 31 December 2010 and latest on 27 December 2013 subject to renewal. The current rent payable on the lease is approximately US\$170 to US\$246 per month, which is subject to revision on renewal.

30 Contingent liabilities

	Group		Company	
	2010 US\$'000	2009 US\$'000	2010 US\$'000	2009 US\$'000
Performance bond, unsecured	-	586	-	-
Performance bond, secured by fixed deposit	-	5,000	-	-
Security bond, unsecured	-	181	-	-
Corporate guarantees, unsecured	-	-	37,000	37,372
	-	5,767	37,000	37,372

The Company has given a guarantee to a bank for its subsidiary's banking facilities (Note 16).

31 Operating segments

Segment information is provided as follows:

<u>By business</u>	<u>Principal activities</u>
Offshore drilling	Drilling vessels owner and operators, provision of management services for the management of vessels.
Building services	Manufacturing and trading of concrete products and foundation engineering works.
Others	Investment holding and management.

The building services segment was discontinued during the year.

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 2010 and 2009, and certain assets and liabilities information regarding industry segments as at 31 March 2010 and 2009.

Notes to the Financial Statements (Cont'd)

For the financial year ended 31 March 2010

31 Operating Segments (cont'd)

Business Segments

	Offshore Drilling		Others		Adjustments/ (Elimination)		Total continuing operations		Building Services (Discontinued)		Total Operations	
	2010 US\$'000	2009 US\$'000	2010 US\$'000	2009 US\$'000	2010 US\$'000	2009 US\$'000	2010 US\$'000	2009 US\$'000	2010 US\$'000	2009 US\$'000	2010 US\$'000	2009 US\$'000
Segment revenue	78,886	127,182	-	-	-	-	78,886	127,182	10,882	18,984	89,768	146,166
Sales to external customers	-	-	-	-	-	-	-	-	-	-	-	-
Inter segment sales	78,886	127,182	-	-	-	-	78,886	127,182	10,882	18,984	89,768	146,166
Total revenue	78,886	127,182	-	-	-	-	78,886	127,182	10,882	18,984	89,768	146,166
Segment result	(176,381)	7,647	63,086	(2,878)	-	-	(113,295)	4,769	(713)	582	(114,008)	5,351
Share of profits of												
- associates	-	-	-	-	-	-	-	-	3,866	7,179	3,866	7,179
- joint venture	-	-	-	-	-	-	-	-	(115)	3	(115)	3
Finance income	106	82	60,177	6,988	(60,129)	(6,383)	154	687	-	-	154	687
Finance costs	(35,217)	(10,230)	(21,342)	(1,194)	42,552	2,221	(14,007)	(9,203)	(115)	(123)	(14,122)	(9,326)
Loss before tax							(127,148)	(3,747)	2,923	7,641	(124,225)	3,894
Taxation							(25,959)	(41,162)	(629)	(1,246)	(26,588)	(42,408)
Non-controlling interests, net of taxes							(153,107)	(44,909)	2,294	6,395	(150,813)	(38,514)
Net loss for the year							78,522	19,455	-	-	78,522	19,455
							(74,585)	(25,454)	2,294	6,395	(72,291)	(19,059)
Business segments												
Segment assets	546,033	812,840	28,553	22,624	-	-	574,586	835,464	-	10,014	574,586	845,478
Investment in associates	-	-	-	-	-	-	-	-	-	10,424	-	10,424
Investment in joint venture	-	-	-	-	-	-	-	-	-	115	-	115
Total assets	546,033	812,840	28,553	22,624	-	-	574,586	835,464	-	20,553	574,586	856,017
Segment liabilities	76,975	360,521	202,087	50,800	-	-	279,062	411,321	-	5,221	279,062	416,542
Taxation liabilities	1,629	1,629	10	-	-	-	1,639	1,629	-	353	1,639	1,982
Total liabilities	78,604	362,150	202,097	50,800	-	-	280,701	412,950	-	5,574	280,701	418,524
Other segment information:												
Capital expenditures	93,861	238,182	-	315	-	-	93,861	238,497	-	909	93,861	239,406
Depreciation of property, plant and equipment	14,813	18,698	81	68	-	-	14,894	18,766	-	332	14,894	19,098
Allowance for doubtful debts - trade receivables	-	798	-	-	-	-	-	798	-	-	-	798
Loss/(gain) on disposal of property, plant and equipment	81,910	-	-	-	-	-	81,910	-	-	(91)	81,910	(91)

31 Operating Segments (cont'd)

Geographical segments

The following tables presents revenue and profit information regarding geographical segments for the years ended 31 March 2010 and 2009 and certain asset and liability information regarding geographical segments as at 31 March 2010 and 2009.

	Singapore		Overseas		Elimination		Consolidated	
	2010	2009	2010	2009	2010	2009	2010	2009
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Segment Revenue								
Sales to external customers	-	-	78,886	127,182	-	-	78,886	127,182
Total continuing operations	-	-	78,886	127,182	-	-	78,886	127,182
Discontinued operations								
- Building Services	9,814	18,984	1,068	-	-	-	10,882	18,984
	9,814	18,984	79,954	127,182	-	-	89,768	146,166
Other geographical information:								
Segment assets	28,553	17,540	546,033	838,477	-	-	574,586	856,017
Capital expenditures	-	739	93,861	238,667	-	-	93,861	239,406

Revenue of US\$78,886,000 (2009 – US\$127,182,000) was derived from a single external customer. This revenue was attributable to the offshore drilling segment.

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

Currency risk

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

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

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

Notes to the Financial Statements (Cont'd)

For the financial year ended 31 March 2010

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

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

	31 March 2010					
	Euro Dollar	Singapore Dollar	Great Britain Pound	Norwegian Kroner	African Rand	Malaysia Ringgit
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other receivables	-	958	4	-	-	-
Cash and bank balances	4	5,576	42	-	-	-
Trade and other payables	(9,752)	(5,300)	(7)	(431)	(187)	-
	(9,748)	1,234	39	(431)	(187)	-

	31 March 2009					
	Euro Dollar	Singapore Dollar	Great Britain Pound	Norwegian Kroner	African Rand	Malaysia Ringgit
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other receivables	-	1,671	-	-	-	32
Cash and bank balances	4	1,339	-	-	-	61
Trade and other payables	(147)	(20,422)	(254)	(652)	-	(117)
	(143)	(17,412)	(254)	(652)	-	(24)

Sensitivity analysis

A 5% (2009 - 5%) strengthening of United States Dollar against the following currencies at the financial position date would increase/(decrease) the consolidated loss before tax as shown below:

	Consolidated Income Statement	
	2010	2009
	US\$'000	US\$'000
Euro Dollar	(487)	(7)
Singapore Dollar	43	(871)
Great Britain Pound	2	(13)
Norwegian Kroner	(22)	(33)
African Rand	(9)	-
Malaysia Ringgit	-	(1)

A 5% (2009 - 5%) weakening of the United States Dollar against the above currencies at 31 March would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

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

Cash flow and fair value interest rate risk

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

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

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

The Group had an interest rate swaps agreement to hedge the exposure to changes in the floating interest rate on a bank loan where by it pays fixed interest rate between 2.455% and 3.147% (2009 - 2.455% and 3.147%) per annum and receives a floating rate equal to 3-months' LIBOR. The swaps agreement had been terminated on 23 December 2009 due to early settlement of bank borrowing.

As at the financial position date, the interest rate profile of the Group's interest-bearing financial instruments are as follows:

	2010	2009
	US\$'000	US\$'000
Variable rate instruments		
Financial liabilities	236,832	305,071

Sensitivity analysis

A 1% point increase in interest rate would increase the Group's loss before tax by approximately US\$2,368,320 (2009 - US\$3,050,710).

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

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

Floating interest-bearing borrowings

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

Other financial assets and liabilities

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

Notes to the Financial Statements (Cont'd)

For the financial year ended 31 March 2010

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

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's and the Company's major classes of financial assets are cash and bank balances and trade and other receivables.

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

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

As at 31 March 2009, the Group had a significant concentration of credit risk as a major customer accounted for 93.5% of the total outstanding trade receivables. This risk was mitigated as the major customer had given a US\$120 million standby letter of credit to the Company which was callable in event of non-payment. At balance sheet date, the allowance for impairment represents an estimate of collection losses in respect of trade and other receivables. Management believed that no additional credit risk beyond amounts provided for collection losses was inherent in the Group's trade receivables.

As at 31 March 2010, the Group has concentration of credit risk in single debtor amounting to US\$625,035, representing approximately 42% of the total trade and other receivable of US\$1,490,000 (Note 12).

The Group establishes an allowance for impairment that represents its estimates of incurred losses in respect of trade and other receivables. The collective loss allowance is determined based on historical data of payment statistic for similar financial assets (Note 12).

Cash and bank balances are 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.

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

(c) Liquidity risk (cont'd)

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

	31 March 2010			
	Carrying	Contractual	< 1 year	1-2 years
	amount	cash flows		
US\$'000	US\$'000	US\$'000	US\$'000	
Non-derivative financial liabilities				
Interest-bearing borrowings (Note 16)	(236,832)	(252,087)	(47,078)	(205,009)
Trade and other payables (Note 19)	(42,230)	(42,230)	(42,230)	-
	(279,062)	(294,317)	(89,308)	(205,009)
<hr/>				
	31 March 2009			
	Carrying	Contractual	< 1 year	1-2 years
	Amount	cash flows		
US\$'000	US\$'000	US\$'000	US\$'000	
Non-derivative financial liabilities				
Interest-bearing liabilities (Note 16)	(357,929)	(358,791)	(172,618)	(186,173)
Trade and other payables (Note 19)	(56,854)	(56,854)	(56,854)	-
	(414,783)	(415,645)	(229,472)	(186,173)

33 Financial instruments

Fair values

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

The Company does not anticipate that the carrying amounts recorded at financial position date would be significantly different from the values that would eventually be received or settled.

Notes to the Financial Statements (Cont'd)

For the financial year ended 31 March 2010

34 Restatement of prior year

Discontinued operations

The Group had divested its non-core Building Services Division during the financial year ended 31 March 2010. For comparison purposes and in accordance to Financial Reporting Standard 105, the figures for the financial year ended 31 March 2009 have been restated to reflect the effect on discontinued operations arising from divestment in Building Services Division.

	Group	
	Amount restated 31/03/2009 US\$'000	Amount previously reported 31/03/2009 US\$'000
<u>Consolidated income statement</u>		
Revenue	127,182	146,167
Cost of sales	(66,301)	(83,318)
Other income	5,307	5,640
Administrative and distribution expenses	(14,087)	(15,805)
Interest expenses (finance cost)	(9,203)	(9,326)
Share of profits from associate and joint venture	-	7,182
Taxation	(41,162)	(42,409)
Profit from discontinued operations	6,395	-

Hedging reserve

In 2009, hedging reserve amounting to US\$784,000 was not correctly allocated to the non-controlling interests. The financial statements of 2009 have been restated to correct this error. The effect of the restatement on the financial statements is summarised below.

	Group	
	Amount restated 31/03/2009 US\$'000	Amount previously reported 31/03/2009 US\$'000
<u>Statement of financial position</u>		
Other reserves	2,915	2,131
Non-controlling interests	140,413	141,196

There is no effect to the financial statements of the Group for the financial year ended 31 March 2010.

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.

36 Capital management

The Group's objectives when managing capital are:

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

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

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

	2010 US\$'000	2009 US\$'000
Obligations under finance lease	-	486
Term loan - secured	35,000	305,071
Loan - unsecured	-	2,372
Loan from controlling shareholder - unsecured	201,832	50,000
Less: Cash and cash equivalents	(29,442)	(36,737)
Net debt	207,390	321,192
Shareholder's equity	284,428	297,080
Gearing ratio	0.7	1.1

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

The company is not subject to externally imposed capital requirements other than as disclosed.

37 Events after balance sheet date

- (1) To better align the brand recognition of the Neptune Group with that of the Company, the name of the following subsidiaries had been changed:-

FROM	TO
Neptune Marine Oil and Gas Ltd	Jasper Offshore (Cyprus) Ltd
Neptune Finder Pte Ltd	Jasper Finder Pte Ltd
Neptune Explorer Pte Ltd	Jasper Explorer Pte Ltd
NM Drilling Pte Ltd	Jasper Drilling Pte Ltd

- (2) On 6 May 2010, the secured term loan as disclosed in Note 16 (b) has been increased from US\$35,000,000 to US\$55,000,000. The additional US\$20,000,000 comprises Money Market Line of US\$10,000,000 and trade facilities of US\$10,000,000.
- (3) On 19 May 2010, the Board of Directors of a subsidiary has decided to dissolve Neptune Marine Invest AS, which is dormant as at year end.

Statistics of Shareholdings

SHARE CAPITAL

Number of shares	1,863,181,160
Class of shares	Ordinary
Voting Rights	1 vote per ordinary share

Note:

The Company had issued 980,000 ordinary shares on 8 December 2009 pursuant to the Jasper Share Incentive Plan (the "Plan"). A further 16,499,000 ordinary shares were issued on 1 June 2010 pursuant to the Plan, bringing the total share capital of the Company to 1,863,181,160 ordinary shares.

SUBSTANTIAL SHAREHOLDERS

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

	No. of shares which Shareholders have an interest	
	Direct	Deemed
Morton Bay (Holdings) Pte Ltd	1,475,325,472	-
Asset Holder PCC No.2 Limited re Ashmore Asian Recovery Fund	-	1,475,325,472
Ashmore Global Special Situations Fund 2 Limited	-	1,475,325,472
Ashmore Global Special Situations Fund 4 Limited Partnership	-	1,475,325,472
Ashmore Investment Management Limited	-	1,475,325,472

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 23 June 2010, approximately 19.8% of its shares listed on the SGX-ST were held in the hands of the public.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	8,038	47.81	2,850,770	0.15
1,000 - 10,000	6,518	38.77	25,992,580	1.40
10,001 - 1,000,000	2,238	13.31	98,516,432	5.29
1,000,001 and above	19	0.11	1,735,821,378	93.16
Total :	16,813	100.00	1,863,181,160	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Morton Bay (Holdings) Pte Ltd	1,475,325,472	79.18
2	Citibank Nominees S'pore Pte Ltd	99,493,635	5.34
3	UOB Kay Hian Pte Ltd	43,684,811	2.34
4	Cyber Express Enterprises Limited	40,000,000	2.15
5	United Overseas Bank Nominees Pte Ltd	14,028,769	0.75
6	Yeoh Seng Huat Geoffrey	13,320,000	0.71
7	Yap Chin Kok	10,000,000	0.54
8	HSBC (Singapore) Nominees Pte Ltd	7,422,560	0.40
9	DBS Nominees Pte Ltd	6,446,786	0.35
10	DBS Vickers Securities (S) Pte Ltd	5,450,840	0.29
11	Phillip Securities Pte Ltd	4,271,928	0.23
12	OCBC Securities Private Ltd	3,173,958	0.17
13	Chew Suyin	2,500,000	0.13
14	OCBC Nominees Singapore Pte Ltd	2,458,619	0.13
15	Lee Mee Kium	2,085,000	0.11
16	American Home Assurance Company, Singapore Branch	2,064,000	0.11
17	Tai Yuok Ling or Yap Tu Mei	1,600,000	0.09
18	DB Nominees (S) Pte Ltd	1,410,000	0.08
19	Lim Beak Leang	1,200,000	0.06
20	Helmut Ernst Van Roijen	980,000	0.05
Total :		1,736,916,378	93.22

Jasper Investments Limited

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

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 23rd Annual General Meeting of the Company will be held at GV Vivocity 1 HarbourFront Walk #02-30 Vivocity Singapore 098585 on Wednesday, 28 July 2010 at 9.30 a.m. to transact the following business:

As Ordinary Business

1. To receive and adopt the Audited Financial Statements of the Company for the year ended 31 March 2010 together with the reports of the Directors and Auditors thereon.
2. To re-elect Mr Jeffrey Saile, a Director who retires pursuant to Article 97 of the Company's Articles of Association.
3. To appoint Ms Tan Yee Long as a Director of the Company.
4. To approve Directors' fees of S\$205,000.00 for the year ended 31 March 2010. (2009: S\$270,000)
5. To re-appoint Foo Kon Tan Grant Thornton LLP as Auditor and to authorise the Directors to fix their remuneration.
6. To transact any other ordinary business that may properly be transacted at an Annual General Meeting.

As Special Business

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

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

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

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

provided that:

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

- (2) the Renounceable Rights Issues and Other Share Issues shall not, in aggregate, exceed 100% of the total number of issued shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with paragraph (3) below);
- (3) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under paragraphs (1)(i) and (1)(ii) above, the total number of issued shares, excluding treasury shares, shall be based on the total number of issued shares, excluding treasury shares, in the capital of the Company at the time that this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares;
- (4) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited 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
- (5) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

8. ISSUE PRICE FOR NEW SHARES

"That, contingent on the passing of the Ordinary Resolution in item 8 above ("Resolution 7"), authority be and is hereby given to the Directors to fix the issue price for shares in the capital of the Company which may be issued by way of placement pursuant to the 20% sub-limit for Other Share Issues on a non *pro rata* basis referred to in Resolution 7, at a discount exceeding 10% but not more than 20% of the price as determined in accordance with the Listing Manual of the Singapore Exchange Securities Trading Limited."

9. ISSUE AND ALLOTMENT OF SHARES PURSUANT TO THE JASPER SHARE OPTION PLAN AND JASPER SHARE INCENTIVE PLAN

"That authority be and is hereby given to the Directors to issue and allot shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted or to be granted under the Jasper Share Option Plan and/ or the vesting of awards granted or to be granted under the Jasper Executive Performance 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 total number of issued shares (excluding treasury shares) in the capital of the Company from time to time."

10. RENEWAL OF SHARE BUY-BACK MANDATE

"That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act (Cap. 50) of Singapore (the "Companies Act"), the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares ("Share Buy-Backs") in the capital of the Company ("Shares") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:-
 - (i) on-market Share Buy-Backs (each an "On-market Share Buy-Back") transacted on the Singapore Exchange Securities Trading Limited ("SGX-ST"); and/or
 - (ii) off-market Share Buy-Backs (each an "Off-market Share Buy-Back") effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Companies Act,

Jasper Investments Limited

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

Notice of Annual General Meeting (Cont'd)

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

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
- (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
 - (ii) the date on which the Share Buy-Backs are carried out to the full extent mandated; or
 - (iii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by the Company in general meeting;
- (c) in this Resolution:

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

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

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

- (i) in the case of an On-market Share Buy-Back, 5% above the average of the closing market prices of the Shares over the last 5 market days on the SGX-ST on which transactions in the Shares were recorded, immediately preceding the day of the On-market Share Buy-Back by the Company, and deemed to be adjusted for any corporate action that occurs after such 5-day period; and
 - (ii) in the case of an Off-market Share Buy-Back pursuant to an equal access scheme, 20% above the average of the closing market prices of the Share over the last 5 market days on the SGX-ST on which transactions in the Shares were recorded, immediately preceding the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price for each Share and the relevant terms of the equal access scheme for effecting the Off-market Share Buy-Back, and deemed to be adjusted for any corporate action that occurs after such 5-day period; and
- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary or expedient to give effect to the transactions contemplated by this Resolution."

11. RENEWAL OF IPT MANDATE

"That:

- (a) approval be and is hereby given for the Company, its subsidiaries and associated companies or any of them to enter into any of the transactions falling within the categories of Interested Person Transactions described in the Company's letter to Shareholders dated 12 July 2010, with any party who is of the class or classes of Interested Persons described in the letter, provided that such transactions are made on normal commercial terms in accordance with the guidelines and procedures for review and administration of the Interested Person Transactions as described in the letter (the "IPT Mandate");
- (b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next Annual General Meeting of the Company;

- (c) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the SGX-ST Listing Manual which may be prescribed by the SGX-ST from time to time; and
- (d) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

By order of the Board

Lee Mee Kium
Company Secretary
12 July 2010

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. An instrument appointing a proxy must be lodged at the registered office of the Company at 1 HarbourFront Avenue #14-01 Keppel Bay Tower Singapore 098632, not less than 48 hours before the time fixed for the Annual General Meeting.

Additional information relating to items of Ordinary and Special Business

Item 2 Mr Seumas Dawes and Mr Oscar Spieler retire by rotation pursuant to Article 91 of the Articles of Association of the Company at this Annual General Meeting and are not seeking re-election. Mr Dawes is the Executive Chairman of the Company and is also Chairman of the Remuneration Committee. Oscar Spieler is a member of the Audit and Remuneration Committees.

Item 3 Ms Tan Yee Long is a lawyer by training. From 1982 to 2009, Ms Tan was a partner in Freshfields Bruckhaus Deringer, working in their offices in Singapore, Hongkong and London. Ms Tan's core experience encompassed specialized finance and banking, as well as mergers and acquisitions and strategic investments. Ms Tan holds an LLB (Honours), Second Upper from the National University of Singapore. She is a solicitor in England & Wales and is also a member of the New York State Bar.

Item 8 This ordinary resolution empowers the Directors, from the date of this Annual General Meeting up to the date of the next Annual General Meeting, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding (i) 100% for Renounceable Rights Issues, and (ii) 50% for Other Share Issues of which up to 20% may be issued other than on a pro rata basis to shareholders, and provided that the total number of shares which may be issued pursuant to (i) and (ii) shall not exceed 100% of the issued shares, excluding treasury shares, in the capital of the Company. For determining the aggregate number of shares that may be issued, the total number of issued shares, excluding treasury shares, will be calculated based on the total number of issued shares, excluding treasury shares, in the capital of the Company at the time that this Resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that this Resolution is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares.

The authority for 100% Renounceable Rights Issues is proposed pursuant to the SGX news release of 19 February 2009 which introduced further measures to accelerate and facilitate listed issuers' fund raising efforts ("SGX News Release").

Item 9 This ordinary resolution empowers the Directors to fix the issue price for shares that may be issued by way of placement pursuant to the 20% sub-limit for Other Share Issues on a non pro rata basis (referred to in the Ordinary Resolution in item 6 above) at a discount exceeding 10% but not more than 20% of the price as determined in accordance with the Listing Manual of the Singapore Exchange Securities Trading Limited. This Resolution is proposed pursuant to the SGX News Release.

Jasper Investments Limited

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

Notice of Annual General Meeting (Cont'd)

- Item 10 This ordinary resolution is to authorise the issue of shares on the exercise of options granted under the Jasper Share Option Plan and the vesting of awards under the Jasper Executive Performance Plan not exceeding (for the entire duration of the Scheme and the Plan respectively) 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time. The Scheme and Plan will respectively expire on 30 July 2019 unless extended by the Company in general meeting.*
- Item 11 This ordinary resolution renews the Share Buy Back Mandate and will authorise the Directors, from time to time, to purchase the Company's issued ordinary shares subject to and in accordance with the terms set out in the Letter dated 12 July 2010 accompanying this Notice, the SGX-ST Listing Manual and such other laws and regulations as may for the time being applicable. Please refer to the letter to Shareholders appended to the Annual Report for details.*
- Item 12 This ordinary resolution relates to the renewal of a mandate given by Shareholders on 30 July 2009 allowing the Company, its subsidiaries and associated companies to enter into transactions with interested persons as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited. Please refer to the letter to Shareholders appended to the Annual Report for details.*

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.
3. CPF investors who wish to attend the Annual General Meeting as observers must submit their requests through their CPF Approved Nominees within the time frame specified. If they wish to vote, they must submit their voting instructions to their CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We _____ (Name)

of _____ (Address)

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

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

and/or (delete as appropriate)

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

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the 23rd Annual General Meeting of the Company to be held on 28 July 2010, and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Resolution relating to:	To be used on a show of hands		To be used in the event of a poll	
		For*	Against*	No. of Votes For**	No. of Votes Against**
1.	Adoption of Reports and Financial Statements				
2.	Re-election of Mr Jeffrey Saile				
3.	Appointment of Ms Tan Yee Long as a Director				
4.	Approval of Directors' Fees				
5.	Re-appointment of Auditor				
6.	Approval of Share Issue Mandate				
7.	Approval of Share Placement Discount				
8.	Authority to issue shares under the Jasper Share Option Plan and Jasper Executive Performance Plan				
9.	Renewal of Share Buy Back Mandate				
10.	Renewal of Interested Person Transactions Mandate				

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

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

Dated this _____ day of _____ 2010.

Total number of shares held

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

IMPORTANT:
PLEASE READ NOTES OVERLEAF

Notes

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
3. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Meeting.
4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), he should insert that number of shares. If the member has shares entered against his name in the Register of Members, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 1 HarbourFront Avenue #14-01 Keppel Bay Tower Singapore 098632 not less than 48 hours before the time set for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

General

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



Investments Limited

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Company Registration No.: 198700983H