

**JASON MARINE GROUP LIMITED**

(Company Registration No. 200716601W)

(Incorporated in the Republic of Singapore)

UNAUDITED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2018

This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist (the "Catalist Rules"). The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Ms Tan Cher Ting, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone (65) 6337 5115.

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENTS

	Group		
	Six months ended		
	30.09.18	30.09.17	Increase /
	S\$'000	S\$'000	(Decrease)
			%
Revenue	10,920	13,583	(19.6)
Cost of sales	(7,644)	(9,928)	(23.0)
Gross profit	3,276	3,655	(10.4)
<i>Other items of income</i>			
Other income	763	121	530.6
Interest income	125	56	123.2
<i>Other items of expense</i>			
Distribution costs	(2,940)	(2,333)	26.0
General and administrative expenses	(2,031)	(2,166)	(6.2)
Other expenses	(1,996)	(966)	106.6
Share of results of associates, net of tax	(415)	(51)	713.7
Loss before income tax	(3,218)	(1,684)	91.1
Income tax expense	(7)	(13)	(46.2)
Loss for the financial period	(3,225)	(1,697)	90.0
Loss attributable to:			
Owners of the parent	(3,232)	(1,702)	89.9
Non-controlling interests	7	5	40.0
Loss for the financial period	(3,225)	(1,697)	90.0

NM: Not Meaningful



1(a)(ii) Statement of comprehensive income for the six months ended 30 September 2018

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Group		
	Six months ended	Six months ended	Increase /
	30.09.18	30.09.17	(Decrease)
	S\$'000	S\$'000	%
Loss for the financial period	(3,225)	(1,697)	90.0
<u>Items that may be reclassified subsequently to profit & loss account:</u>			
Foreign currency difference on translation of foreign operations	98	3	NM
<u>Items that will not be reclassified subsequently to profit & loss account:</u>			
Net (loss)/gain on fair value changes of financial assets, at FVOCI	(21,572)	7,637	NM
Other comprehensive (loss)/income for the financial period, net of tax	(21,474)	7,640	
Total comprehensive (loss)/income for the financial period, net of tax	(24,699)	5,943	NM
Total comprehensive income attributable to:			
Owners of the parent	(24,705)	5,973	NM
Non-controlling interests	6	(30)	NM
	(24,699)	5,943	NM

NM: Not Meaningful

1(a)(iii) Notes to consolidated income statements

Loss before income tax is arrived at after (charging)/crediting:

	Group		
	Six months ended	Six months ended	Increase /
	30.09.18	30.09.17	(Decrease)
	S\$'000	S\$'000	%
Allowance for impairment loss on doubtful trade and other receivables	(909)	(15)	NM
Allowance for inventory obsolescence	(135)	-	NM
Amortisation of intangible asset	-	(6)	NM
Depreciation of plant and equipment	(181)	(208)	(13.0)
Fair value loss on derivative financial instruments	(931)	(464)	100.6
Foreign exchange gain/(loss), net	555	(446)	NM
Government grants	116	59	96.6
Impairment loss on financial assets, at FVOCI	(20)	(35)	(42.9)
Interest income	125	56	123.2
Gain on disposal of property and equipment	25	-	NM
Sundry income			
- sponsorships	18	29	(37.9)
- others	45	11	309.1
Write-back of allowance for impairment loss on doubtful third parties trade receivables	4	22	(81.8)
Written off of plant and equipment	(1)	(6)	(83.3)

NM: Not Meaningful



1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	As at 30.09.18 S\$'000	As at 31.03.18 S\$'000	As at 30.09.18 S\$'000	As at 31.03.18 S\$'000
Non-current assets				
Intangible asset	-	-	-	-
Plant and equipment	1,049	1,138	-	-
Investments in subsidiaries	-	-	15,480	15,480
Investments in associates	73	488	-	-
Financial assets, at FVOCI	1,945	23,537	-	-
Trade receivables	57	57	-	-
Deferred tax assets	2	1	-	-
Total non-current assets	3,126	25,221	15,480	15,480
Current assets				
Inventories	3,439	3,071	-	-
Trade and other receivables	11,721	11,983	456	694
Derivative financial instrument	-	955	-	-
Prepayments	248	236	15	23
Current income tax recoverable	2	2	-	-
Cash and cash equivalents	16,728	17,881	6,474	7,278
Total current assets	32,138	34,128	6,945	7,995
Less:				
Current liabilities				
Trade and other payables	5,888	6,581	167	298
Deferred revenue	8,132	6,128	-	-
Current income tax payable	79	137	-	1
Total current liabilities	14,099	12,846	167	299
Net current assets	18,039	21,282	6,778	7,696
Less:				
Non-current liabilities				
Deferred tax liabilities	51	51	-	-
	51	51	-	-
Net assets	21,114	46,452	22,258	23,176
Capital and reserves				
Share capital	17,967	17,967	17,967	17,967
Treasury shares	(255)	(255)	(255)	(255)
Fair value adjustment reserve	1,407	22,979	-	-
Foreign currency translation account	(44)	(143)	-	-
Retained earnings	1,979	5,850	4,546	5,464
Equity attributable to the owners of the parent	21,054	46,398	22,258	23,176
Non-controlling interests	60	54	-	-
Total equity	21,114	46,452	22,258	23,176

* The Group has adopted the new Singapore Financial Reporting Standards (International) ("SFRS(I)") framework for the financial year ending 31 March 2019. Please refer to page 9 for more details.

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1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30.09.18		As at 31.03.18	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

Amount repayable after one year

As at 30.09.18		As at 31.03.18	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

Details of any collateral

The Group did not have any secured or unsecured borrowings as at 30 September 2018 and 31 March 2018.


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- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	Six months ended	
	30.09.18	30.09.17
	S\$'000	S\$'000
Operating activities		
Loss before income tax	(3,218)	(1,684)
Adjustments for:		
Allowance for impairment loss on doubtful trade and other receivables	909	15
Allowance for inventory obsolescence	135	-
Amortisation of intangibles asset	-	6
Depreciation of plant and equipment	181	208
Fair value loss on derivative financial instruments	931	464
Impairment loss on financial assets, at FVOCI	20	35
Interest income	(125)	(56)
Gain on disposal of property and equipment	(25)	-
Share of results of associates	415	51
Write-back of allowance for impairment loss on doubtful third parties trade receivables	(4)	(22)
Written off of plant and equipment	1	6
Operating cash flows before working capital changes	(780)	(977)
Working capital changes:		
Inventories	(503)	(1,483)
Trade and other receivables	(755)	(982)
Prepayments	(12)	(23)
Trade and other payables	(694)	105
Deferred revenue	2,002	(643)
Cash used in operations	(742)	(4,003)
Income tax paid	(65)	(6)
Net cash used in operating activities	(807)	(4,009)
Investing activities		
Purchase of plant and equipment	(146)	(101)
Interest received	125	56
Proceeds from disposal of plant and equipment	20	-
Net cash used in investing activities	(1)	(45)
Financing activities		
Dividend paid	(525)	-
Net cash used in financing activities	(525)	-
Net change in cash and cash equivalents	(1,333)	(4,054)
Cash and cash equivalents at beginning of financial period	17,881	23,874
Effects of foreign exchange rate changes on cash and cash equivalents	180	(31)
Cash and cash equivalents at end of financial period	16,728	19,789
Cash and cash equivalents comprise of the following:		
Fixed deposits	8,667	7,541
Cash and bank balances	8,061	12,248
Cash and cash equivalents included in the consolidated statement of cash flows	16,728	19,789


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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENTS OF CHANGES IN EQUITY

Group	Share capital S\$'000	Treasury shares S\$'000	Fair value adjustment reserve S\$'000	Foreign currency translation account S\$'000	Retained earnings S\$'000	Equity attributable to owners of the parent S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance at 31 March 2018	17,967	(255)	22,979	(143)	5,850	46,398	54	46,452
Adoption of SFRS(I) 9	-	-	-	-	(114)	(114)	-	(114)
Balance restated at 1 April 2018	17,967	(255)	22,979	(143)	5,736	46,284	54	46,338
Loss for the financial period	-	-	-	-	(3,232)	(3,232)	7	(3,225)
Other comprehensive income for the financial period								
Net change in fair value of equity investment at FVOCI	-	-	(21,572)	-	-	(21,572)	-	(21,572)
Foreign currency differences on translation of foreign operations	-	-	-	99	-	99	(1)	98
Total comprehensive income for the financial period	-	-	(21,572)	99	(3,232)	(24,705)	6	(24,699)
Distributions to owners of the parent								
Dividend paid	-	-	-	-	(525)	(525)	-	(525)
Total transactions with the owners of the parent	-	-	-	-	(525)	(525)	-	(525)
Balance at 30 September 2018	17,967	(255)	1,407	(44)	1,979	21,054	60	21,114
Balance at 1 April 2017	17,967	(255)	-	(38)	4,651	22,325	30	22,355
Loss for the financial period	-	-	-	-	(1,702)	(1,702)	5	(1,697)
Other comprehensive income for the financial period								
Net change in fair value of equity investment at FVOCI	-	-	7,637	-	-	7,637	-	7,637
Foreign currency differences on translation of foreign operations	-	-	-	38	-	38	(35)	3
Total comprehensive income for the financial period	-	-	7,637	38	(1,702)	5,973	(30)	5,943
Balance at 30 September 2017	17,967	(255)	7,637	-	2,949	28,298	-	28,298



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STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Company	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance at 31 March 2018	17,967	(255)	5,464	23,176
Adoption of SFRS(I) 9	-	-	(202)	(202)
Balance restated at 1 April 2018	17,967	(255)	5,262	22,974
Loss for the financial period	-	-	(191)	(191)
Total comprehensive income for the financial period	-	-	(191)	(191)
Transactions with the owners of the parent				
Dividend paid	-	-	(525)	(525)
Total transactions with the owners of the parent	-	-	(525)	(525)
Balance at 30 September 2018	17,967	(255)	4,546	22,258
Balance at 1 April 2017	17,967	(255)	5,089	22,801
Loss for the financial period	-	-	(212)	(212)
Total comprehensive income for the financial period	-	-	(212)	(212)
Balance at 30 September 2017	17,967	(255)	4,877	22,589

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- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the Company's share capital since the end of the previous period reported on, being the period between 1 April 2018 and 30 September 2018.

The Company held 1,000,000 treasury shares as at 30 September 2018 (30 September 2017: 1,000,000). There were no subsidiary holdings as at 30 September 2018 (30 September 2017: Nil). The percentage of the number of treasury shares held against the total number of issued ordinary shares (excluding treasury shares) in the capital of the Company ("Shares") as at 30 September 2018 was approximately 0.9% (30 September 2017: 0.9%).

As at 30 September 2018 and 30 September 2017, the Company did not have any outstanding options or convertibles.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year.**

	As at 30.09.18	As at 31.03.18
Total number of issued Shares	106,000,000	106,000,000
Less: Total number of treasury shares	<u>1,000,000</u>	<u>1,000,000</u>
Total number of issued Shares excluding treasury shares	<u><u>105,000,000</u></u>	<u><u>105,000,000</u></u>

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reporting on.**

	Six months ended 30.09.18
Treasury shares:	
Balance at beginning of period	1,000,000
Share buy-back	<u>-</u>
Balance at end of period	<u><u>1,000,000</u></u>

- 1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable as the Company did not have any subsidiary holdings.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the auditors of the Company.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable as the figures have not been audited or reviewed.

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4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared to its most recent audited consolidated financial statements for the financial year ended 31 March 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s), on 1 April 2018 and has prepared its first set of financial information under SFRS(I)s for the six months ended 30 September 2018.

In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Group has also concurrently applied new major accounting standards (1) SFRS(I) 9 Financial instruments and (2) SFRS(I) 15 Revenue from Contracts with Customers. The adoption of the new financial reporting framework did not have any significant impact on the financial statements of the Group except for the following:

Adoption of SFRS(I) 9

The Group has elected to classify their non-trading equity investments as "Financial assets, at FVOCI" upon the adoption of SFRS(I) 9. These equity investments were previously classified as "Available-for-sale financial assets" under FRS 39. The changes in fair value of these equity instruments are recognised in other comprehensive income ("OCI") and will not be reclassified to profit or loss upon disposal of these financial assets. As a result, assets with a fair value of S\$23,537,000 were reclassified from "Available-for-sale financial assets" to "financial assets, at FVOCI" on 1 April 2018.

Financial assets are subjected to the expected credit loss impairment model under SFRS(I) 9. As a result, debtors and retained earnings as at 1 April 2018 were adjusted.

	Group	Company
	As at	As at
	01.04.2018	01.04.2018
	\$'000	\$'000
Balance Sheet		
Decrease in retained earnings	(114)	(202)
Decrease in trade and other receivables	(114)	(202)

6. Earnings per ordinary share of the group for the current financial year reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**LOSS PER SHARE ("LPS")**

	Group	
	Six months ended	
	30.09.18	30.09.17
Loss for the financial period attributable to owners of the parent (S\$'000)	(3,232)	(1,702)
Weighted average number of Shares excluding treasury shares used in the computation of LPS ('000)	105,000	105,000
LPS (cents) (Basic and diluted) ⁽¹⁾	(3.08)	(1.62)

Note:

(1) Basic and diluted LPS are the same as the Company did not have any outstanding instruments convertible into rights to subscribe for, and/or options in respect of, its Shares during these financial periods.



7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the: -

- (a) current financial period reported on; and
(b) immediately preceding financial year.

NET ASSET VALUE ("NAV")

	Group		Company	
	As at 30.09.18	As at 31.03.18	As at 30.09.18	As at 31.03.18
NAV per Share (cents)	20.11	44.24	21.20	22.07
Number of Shares (excluding treasury shares) used in the computation of NAV per Share ('000)	105,000	105,000	105,000	105,000

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF FINANCIAL PERFORMANCE OF THE GROUP

Six months ended 30 September 2018 ("HY2019") compared to six months ended 30 September 2017 ("HY2018")

The Group's revenue is derived from three business segments: (i) sale of goods; (ii) rendering of services; and (iii) airtime revenue. Sale of goods is mostly project-based and relates to the design, supply, integration and installation of a comprehensive range of radio and satellite communication, navigation and marine automation systems. Rendering of services relates to equipment leasing and provision of maintenance and support services including repair works, troubleshooting, commissioning, radio survey and annual performance tests. Airtime revenue relates to provision of airtime for satellite communication systems.

The Group's total revenue decreased by approximately S\$2.7 million or 19.6% from approximately S\$13.6 million in HY2018 to approximately S\$10.9 million in HY2019. The decrease came from the sale of goods segment and airtime revenue segment, which recorded a decrease of approximately S\$2.4 million and S\$0.5 million respectively in HY2019. These were partially offset by an increase in revenue from the rendering of services segment of approximately S\$0.2 million. The Group's revenue from both the sale of goods segment and airtime revenue segment decreased mainly due to lower project sales and a decrease in the number of airtime packages taken up by customers during HY2019, attributable to the soft demand for goods and services in the marine and offshore oil and gas industry. The Group's revenue from the rendering of services segment increased marginally, mainly due to more service work rendered and equipment leasing income generated.

The Group's cost of sales decreased by approximately S\$2.3 million or 23.0% from S\$9.9 million in HY2018 to S\$7.6 million in HY2019, mainly due to the reduction in revenue, as well as the Group's continued efforts to improve its operational efficiency and cost management.

The Group's gross profit decreased by approximately S\$0.4 million or 10.4% from approximately S\$3.7 million in HY2018 to approximately S\$3.3 million in HY2019. The overall gross profit margin however increased from 26.9% in HY2018 to 30.0% in HY2019, due to a higher percentage of overall sales contributed from rendering of services business segment.

Other items of income (including interest income) increased by approximately S\$0.7 million or 401.7% from approximately S\$0.2 million in HY2018 to approximately S\$0.9 million in HY2019 mainly due a net exchange gain of approximately S\$0.6 million as well as an increase in interest income of approximately S\$0.1 million.

The Group's distribution costs increased by approximately S\$0.6 million or 26.0% from approximately S\$2.3 million in HY2018 to approximately S\$2.9 million in HY2019. This was due mainly to the increase in manpower cost for sales, marketing and support staff of approximately S\$0.6 million.

The Group's general and administrative expenses decreased by approximately S\$0.2 million or 6.2% from approximately S\$2.2 million in HY2018 to approximately S\$2.0 million in HY2019, mainly attributable to the decrease in remuneration of executive directors, following the retirement of our previous CEO, Mr Ronald Tan Lian Huat on 31 March 2018.

The Group's other expenses increased by approximately S\$1.0 million or 106.5% from approximately S\$1.0 million in HY2018 to approximately S\$2.0 million in HY2019. This was due mainly to the increased allowance for doubtful trade and other receivables of approximately S\$0.9 million relating to (i) the impairment of a loan to an associate company, Sense Infosys Pte. Ltd ("SIS") of approximately S\$0.8 million due to SIS reporting a loss for that period, (ii) the decrease in fair value on derivative financial instruments of approximately S\$0.5 million relating to the profit guarantee in SIS, as well as (iii) an increase in allowance for inventory obsolescence of approximately S\$0.1 million due to slower inventory turnover for aged inventory resulting from lower sales, partially offset by the absence of net foreign exchange loss of approximately S\$0.5 million.



The Group's share of loss from associates increased by approximately S\$364,000 or 713.7% from approximately S\$51,000 in HY2018 to approximately S\$415,000 in HY2019, mainly arising from the share of loss of SIS.

The Group's income tax expense was approximately S\$7,000 in HY2019 as compared to approximately S\$13,000 in HY2018.

As a result of the foregoing, loss after income tax attributable to owners of the parent for HY2019 was approximately S\$3.2 million as compared to a loss after income tax attributable to owners of the parent of approximately S\$1.7 million in HY2018. Excluding foreign exchange gains and losses, allowance for impairment of a loan as well as fair value loss on derivative financial instruments in relation to the Group's investment in SIS, net loss would have been S\$2.1 million for HY2019 as compared to S\$0.8 million in HY2018, representing an increase of 161.5%.

	Group		Increase / (Decrease) %
	Six months ended 30.09.18 S\$'000	30.09.17 S\$'000	
Loss for the period reported	(3,225)	(1,697)	90.0
Adjustments:			
Allowance for impairment of a loan in SIS	791	-	NM
Fair value loss on derivative financial instruments	931	464	100.6
Foreign exchange (gain)/loss, net	(555)	446	NM
	(2,058)	(787)	161.5

REVIEW OF FINANCIAL POSITION OF THE GROUP

Total non-current assets decreased by approximately S\$22.1 million, from approximately S\$25.2 million as at 31 March 2018 to approximately S\$3.1 million as at 30 September 2018. This was mainly due to a decrease in fair value of financial assets at FVOCI of approximately S\$21.6 million, a decrease in investment in associates of approximately S\$0.4 million, as well as a decrease in plant and equipment of approximately S\$0.1 million.

The change in fair value of financial assets at FVOCI mainly relates to the Group's equity interest of approximately 6.0% in e-Marine Global Inc. ("e-Marine"), a company which is listed on the OTC market in the United States of America. As stated in Note 8 of the annual report for FY2018, the fair value of the Group's investment in e-Marine, as reported in the Group's audited consolidated financial statements of FY2018, was based on the closing quoted market price on the last market trading day of FY2018. Based on the market price of e-Marine of US\$0.75 as at 30 September 2018, the Group recognised a net fair value loss of S\$21.6 million which was accounted for in the Group's consolidated statement of comprehensive income for HY2019.

On 7 November 2018, the Group exercised the put option in respect of its investment in e-Marine, to sell 1,363,953 shares in e-Marine for KRW759 per share plus interest accrued on the aggregate consideration at a rate of 5.38% per annum for the period from 28 October 2011 to the date the put option was exercised. The financial impact in the financial year ending 31 March 2019 arising from the exercise of put option is a gain on disposal of approximately S\$0.1 million, subject to the counterparty fulfilling his obligations. As the Company has elected to classify the investment in e-Marine as financial assets, at FVOCI, any difference in fair value of the Group's investment in e-Marine will not be charged to profit or loss upon the disposal. The financial impact of the above is not reflected in the current HY2019 result announcement as the put option was exercised subsequent to HY2019.

Total current assets decreased by approximately S\$2.0 million, from approximately S\$34.1 million as at 31 March 2018 to approximately S\$32.1 million as at 30 September 2018. This was due mainly to the decrease in cash and cash equivalents of approximately S\$1.2 million, decrease in derivative financial instruments of approximately S\$0.9 million due to a reduction in the fair value of the profit guarantee relating to the Group's investment in SIS, decrease in trade and other receivable of approximately S\$0.3 million, offset by the increase in inventories of approximately S\$0.4 million.

Total current liabilities increased by approximately S\$1.3 million, from approximately S\$12.8 million as at 31 March 2018 to approximately S\$14.1 million as at 30 September 2018. This was due mainly to an increase in deferred revenue of approximately S\$2.0 million, partially offset by a decrease in trade and other payables of approximately S\$0.7 million.

Total non-current liabilities, comprising only deferred tax liabilities, remained unchanged at approximately S\$51,000 as at 30 September 2018.

As at 30 September 2018, capital and reserves amounted to approximately S\$21.1 million comprising mainly share capital of approximately S\$18.0 million, fair value adjustment reserve of approximately S\$1.4 million and retained earnings of approximately S\$2.0 million, partially offset by treasury shares held of approximately S\$0.3 million.

REVIEW OF STATEMENT OF CASH FLOWS OF THE GROUP

In HY2019, net cash outflow from operating activities before working capital changes was approximately S\$0.8 million. Net cash generated from working capital amounted to approximately S\$0.1 million which was due mainly to an increase in deferred revenue of approximately S\$2.0 million, offset by an increase in inventories of approximately S\$0.5 million, an increase in trade and other receivables of approximately S\$0.7 million, as well as a decrease in trade and other payables of approximately S\$0.7 million. After payment of income tax expenses of approximately S\$0.1 million, the net cash used in operating activities amounted to approximately S\$0.8 million in HY2019 as compared to approximately S\$4.0 million in HY2018.

Net cash used in investing activities in HY2019 was approximately S\$1,000, mainly attributable to the purchase of plant and equipment of approximately S\$146,000, offset by interest received of S\$125,000, as well as proceeds from disposal of plant and equipment of approximately S\$20,000.

Net cash used in financing activities in HY2019 was approximately S\$0.5 million, due to payment of dividend during the current reporting period.

**JASON MARINE GROUP LIMITED**

(Company Registration No. 200716601W)

(Incorporated in the Republic of Singapore)

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's results for HY2019 are in line with the Company's profit warning announcement dated 25 October 2018, and the trends and competitive conditions previously disclosed in the Company's results announcement dated 30 May 2018 for the financial year ended 31 March 2018.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group expects market conditions to remain challenging and its financial performance will continue to be affected by the uncertainties and developments in the marine and offshore oil and gas industry. Soft demand for goods and services coupled by intense market competition will continue to exert pressure on margins.

The Group will focus on strengthening its existing business and look for opportunities to increase business activities by creating value for customers and leveraging on technology. At the same time, the Group will actively exercise prudence in managing operational costs.

As mentioned in paragraph 8 of this announcement, the Group has exercised the put option to dispose its investment in e-Marine on 7 November 2018 and subject to the counterparty fulfilling his obligation to purchase the Group's shares in e-Marine, the Company's management expects to record a gain on disposal of approximately S\$0.1 million in the financial year ending 31 March 2019. In addition, the Company's management has also been actively monitoring the Group's investment in an associate company, Sense Infosys Pte Ltd ("SIS"). The Group had entered into agreements with SIS in relation to its investment in Series A and Series A2 Convertible Preference Shares on 15 January 2015 and 25 April 2016 respectively. As stated in Note 15 of the Company's annual report for FY2018, in the event that SIS is not able to achieve a pre-specified consolidated net profit target for the financial year ending 31 March 2019, the Group shall be issued such number of bonus Series Convertible Preference Shares based on a specified formula in the relevant agreements.

11. Dividend**(a) Any dividend declared for the current financial period reported on?**

No. The Board is not recommending any interim dividend in respect of HY2019.

Name of dividend	Not applicable
Dividend type	Not applicable
Dividend rate	Not applicable
Tax rate	Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

No. The Board did not recommend any interim dividend in respect of HY2018.

Name of dividend	Not applicable
Dividend type	Not applicable
Dividend rate	Not applicable
Tax rate	Not applicable

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

The Board of Directors (the "Board") is not recommending any interim dividend having considered the Group's net loss for HY2019 and the current challenging environment.

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13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during HY2019 (excluding transactions less than S\$100,000 and conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions during HY2019 conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000	S\$'000
Foo Chew Tuck		
Lease of office premises from:		
(i) JE Holdings Pte Ltd	80	
(ii) Unity Consultancy Pte. Ltd.	7	
(iii) Jason Harvest Pte Ltd	23	
Total:	110	
		Nil

The Company did not obtain any general mandate from its shareholders for interested person transactions.

14. **Confirmation pursuant to Rule 705(5)**

We hereby confirm, on behalf of the Company's Board of Directors that, to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited consolidated financial statements of the Group for the six months ended 30 September 2018 to be false or misleading in any material aspect.

On behalf of the Board

Foo Chew Tuck
Executive Chairman and CEO

Eileen Tay-Tan Bee Kiew
Lead Independent Director

15. **Confirmation that the issuer has procured undertaking from all its Directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

The Company confirms that it has already procured undertakings from all of its Directors and relevant executive officer in the format as set out in Appendix 7H of the Catalist Rules in accordance with Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD

Foo Chew Tuck
Executive Chairman and CEO
9 November 2018