



F A I T H

Jason Marine Group Limited

HY2019

Results Presentation

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HY2019 Financials

Revenue of S\$10.9m for HY2019



(S\$'000)	HY2019	HY2018	Increase / (Decrease) %
Revenue	10,920	13,583	(19.6)
Gross Profit	3,276	3,655	(10.4)
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
Loss Before Income Tax	(3,218)	(1,684)	91.1
Loss After Income Tax	(3,225)	(1,697)	90.0
Net Attributable Loss	(3,232)	(1,702)	89.9
Net Attributable Loss (ex. forex impact, allowance for impairment of a loan as well as fair value loss on derivative financial instruments)	(2,058)	(787)	161.5

- § Revenue: The lower contribution from the sale of goods and airtime revenue segments was partially offset by higher revenue from the rendering of services segment, which includes equipment leasing income.
- § Gross profit: Remained above S\$3 million, helped by continued efforts to improve operational efficiency and cost management.
- § Distribution costs: S\$0.6 million rise due mainly to higher manpower cost for sales, marketing and support staff.
- § General and administrative expenses: Decline mainly because of lower remuneration of executive directors, following the retirement of our previous CEO on 31 March 2018.
- § Other expenses: The increase is due mainly to (i) increased allowance for doubtful trade and other receivables of S\$0.9 million relating to impairment of a loan from associate company Sense Infosys Pte Ltd (SIS) of S\$0.8 million which reported a loss for HY2019, (ii) S\$0.5 million decrease in fair value on derivative financial instruments relating to the profit guarantee in SIS, (iii) S\$0.1 million increase in allowance for inventory obsolescence, partially offset by the absence of net foreign exchange loss of S\$0.5 million.

Still Healthy Balance Sheet



(\$'000)	As at 30 Sep 2018	As at 31 Mar 2018
Non-current assets	3,126	25,221
Current assets:		
- Cash and cash equivalents	16,728	17,881
Total Current Assets	32,138	34,128
Non-current & current liabilities	14,150	12,897
Equity attributable to owners of the parent	21,054	46,398

- § Group's operations are largely funded by its working capital and cash. There are no bank borrowings
- § Shareholders' funds of S\$21.1 million is well-supported by net cash of S\$16.7 million
- § Total non-current assets fell by S\$22.1 million, mainly due to a decrease in fair value of financial assets at FVOCI ⁽¹⁾ of S\$21.6 million, a decrease in investment in associates of S\$0.4 million, as well as a decrease in plant and equipment of S\$0.1 million.
 - ü The change in fair value of financial assets at FVOCI mainly relates to the Group's equity interest of 6.0% in e-Marine Global Inc. ⁽²⁾
 - ü Based on the market price of e-Marine 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. ⁽³⁾

(1) FVOCI stands for Fair Value Through Other Comprehensive Income.

(2) e-Marine Global Inc.'s shares are quoted on the OTC Market in the United States of America. On 7 November 2018, Jason Marine exercised the put option in respect of its investment in e-Marine. The financial impact on the exercised put option, which is not reflected in the HY2019 results, is a gain on disposal of approximately \$0.1 million, subject to the counterparty fulfilling his obligations

(3) On 7 November 2018, the Group had exercised the put option to dispose its investment in e-Marine.

Cash Flow



(\$'000)	HY2019	HY2018
Net cash used in operating activities	(807)	(4,009)
Net cash used in investing activities	(1)	(45)
Net cash used in financing activities	(525)	–
Net changes in cash & cash equivalents	(1,333)	(4,054)
Cash at beginning of financial period	17,881	23,874
Cash at end of financial period	16,728	19,789

- § Net cash used in operating activities was largely due to loss before tax of S\$3.2m, adjusted for non-operating cashflow items of approximately S\$2.4m in HY2019.
- § Net cash used in investing activities was due mainly to:
 - ü Purchase of plant and equipment of S\$146,000
 - ü 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 was due to payment of dividend during the current reporting period



Outlook & Strategy

Continued Challenging Outlook



- § Expects market conditions to remain challenging and its financial performance to continue to be affected by uncertainties and developments in the marine and offshore oil & gas industry
- § Soft demand for goods and services coupled by intense market competition to continue to exert pressure on margins
- § The Group will focus on strengthening and growing its existing business by creating value for customers and leveraging on technology
- § The Group will also actively exercise prudence in managing operational costs
- § The Group has exercised the put option to dispose of its investment in e-Marine and has been actively monitoring the Group's investment in SIS



Thank You