



Financial Statements and Dividend Announcement

For The First Quarter Ended 30 June 2014

JASPER INVESTMENTS LIMITED
(Company Registration No. 198700983H)

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2014.

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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 STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 JUNE 2014**

	Group	
	1QFY2015 US\$'000	1QFY2014 US\$'000
Revenue	-	8,901
Cost of sales	(8,971)	(7,837)
Depreciation for drilling rig	(5,218)	(5,142)
Gross loss	<u>(14,189)</u>	<u>(4,078)</u>
Other income	3	78
Administrative expenses	(3,561)	(3,313)
Other operating expenses	(455)	-
Other expenses	(2,339)	(1,695)
Finance costs	(5,591)	(5,563)
Loss before taxation	<u>(26,132)</u>	<u>(14,571)</u>
Taxation	(16)	-
Loss after taxation representing total comprehensive loss for the period	<u><u>(26,148)</u></u>	<u><u>(14,571)</u></u>
Attributable to:		
Equity holders of the Company	(25,657)	(14,311)
Non-controlling interests	(491)	(260)
	<u><u>(26,148)</u></u>	<u><u>(14,571)</u></u>

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

Loss for the period is determined after (charging)/crediting the following:

	Group	
	1QFY2015	1QFY2014
	US\$'000	US\$'000
<u>Charging:</u>		
Depreciation of plant and equipment	(5,253)	(5,167)
Foreign exchange	(91)	(82)
Amortisation of bond transaction charges	(225)	(197)
Repair and maintenance on the drilling rig	-	(1,613)
	<hr/> <hr/>	<hr/> <hr/>
<u>Crediting:</u>		
Gain on disposal of plant and equipment	-	67
Interest income	3	11
	<hr/> <hr/>	<hr/> <hr/>

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 AS AT 30 JUNE 2014

	Group		Company	
	30/6/2014 US\$'000	31/3/2014 US\$'000	30/6/2014 US\$'000	31/3/2014 US\$'000
<u>Non-Current Assets</u>				
Plant and equipment	407,766	412,738	-	-
Investment in subsidiaries	-	-	3,661	-
	407,766	412,738	3,661	-
<u>Current Assets</u>				
Trade and other receivables	15,222	24,734	89	32
Amount due from subsidiaries	-	-	365,846	364,898
Cash and bank balances	16,428	34,313	1,837	4,296
	31,650	59,047	367,772	369,226
Total Assets	439,416	471,785	371,433	369,226
<u>Capital and Reserves</u>				
Share capital	590,928	590,883	590,928	590,883
Reserves	(321,769)	(296,112)	(232,068)	(290,331)
	269,159	294,771	358,860	300,552
Non-controlling interests	(4,220)	(3,729)	-	-
Total equity	264,939	291,042	358,860	300,552
<u>Non-Current Liabilities</u>				
Borrowings	158,138	157,913	-	-
	158,138	157,913	-	-
<u>Current Liabilities</u>				
Trade and other payables	13,660	20,151	271	179
Amount due to subsidiaries	-	-	10,972	67,165
Provision for taxation	2,679	2,679	1,330	1,330
	16,339	22,830	12,573	68,674
Total liabilities	174,477	180,743	12,573	68,674
Total Equity and Liabilities	439,416	471,785	371,433	369,226

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

Amount repayable in one year or less, or on demand

<u>As at 30/6/2014</u>		<u>As at 31/3/2014</u>	
<u>US\$'000</u>		<u>US\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
-	-	-	-

Amount repayable after one year

<u>As at 30/6/2014</u>		<u>As at 31/3/2014</u>	
<u>US\$'000</u>		<u>US\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
158,138	-	157,913	-

Notes:-

Borrowings – secured as at 30 Jun 2014

This relates to US\$165 million Senior Secured Bonds (“Bonds”) due on 27 May 2016, secured *inter alia* by: -

- a first priority mortgage over the drilling rig
- an assignment of insurances
- pledge of shares of certain subsidiaries
- corporate guarantees from certain subsidiaries
- an assignment of drilling contracts with duration of more than twelve months

There are financial and other covenants typical for bonds of this nature which the Group has to observe.

The Group had since bought back Bonds of aggregate principal amount of US\$6 million for which cash consideration of US\$4.9 million had been paid. The amount of secured borrowings is shown net of repurchased Bonds and transaction costs which will be amortised over the term of the Bonds.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2014**

	Group	
	1QFY2015	1QFY2014
	US\$'000	US\$'000
<u>Cash flows from operating activities</u>		
Loss before taxation	(26,132)	(14,571)
Adjustments for :		
Depreciation of plant and equipment	5,253	5,167
Interest income	(3)	(11)
Interest expenses	5,366	5,366
Amortisation of bond transaction charges	225	197
Loss on deconsolidation of subsidiaries (Note B)	1	-
Gain on disposal of plant and equipment	-	(67)
Issuance of share under shares incentive plan	45	973
Operating loss before working capital changes	<u>(15,245)</u>	<u>(2,946)</u>
Changes in working capital		
-decrease/(increase) in operating receivables	9,512	(4,088)
-(decrease)/increase in operating payables	<u>(915)</u>	<u>1,487</u>
Cash used in operations	<u>(6,648)</u>	<u>(5,547)</u>
Income taxes paid	(16)	-
Net cash used in operating activities	<u>(6,664)</u>	<u>(5,547)</u>
<u>Cash flows from investing activities</u>		
Interest received	3	11
Acquisition of plant and equipment (Note A)	(357)	(1,589)
Proceeds from disposal of plant and equipment	76	74
Net cash outflow from deconsolidation of subsidiaries (Note B)	<u>(20)</u>	<u>-</u>
Net cash used in investing activities	<u>(298)</u>	<u>(1,504)</u>
<u>Cash flows from financing activities</u>		
Interest paid	<u>(10,935)</u>	<u>(10,935)</u>
Net cash used in financing activities	<u>(10,935)</u>	<u>(10,935)</u>
Net decrease in cash and cash equivalents	(17,897)	(17,986)
Cash and cash equivalents at the beginning	34,313	64,213
Effect of foreign exchange rate changes	12	(178)
Cash and cash equivalents at the end	<u>16,428</u>	<u>46,049</u>

(A) Acquisition of plant and equipment

In 1QFY2015, the Group acquired for cash plant and equipment with an aggregate cost of approximately US\$0.4 million (1QFY2014 - US\$1.6 million).

(B) Deconsolidation of subsidiaries

The assets disposed of and liabilities discharged were as follows:-

Cash and bank balances

Payables

Loss on deconsolidation

Sale proceeds

Cash and bank balances disposed of

Cash outflow from deconsolidation of subsidiaries

Group	
1QFY2015	1QFY2014
US\$'000	US\$'000
20	-
(19)	-
1	-
(1)	-
-	-
(20)	-
(20)	-

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 FOR THE PERIOD ENDED 30 JUNE 2014

	Share Capital US\$'000	Other Reserve US\$'000	Accumulated Losses US\$'000	Grand Total US\$'000
Company				
3 months ended 30 June 2014				
Balance as at 01/04/2014	590,883	168	(290,499)	300,552
Issued during the period	45	-	-	45
Total comprehensive income for the period	-	-	58,263 *	58,263
Balance as at 30/06/2014	590,928	168	(232,236)	358,860
3 months ended 30 June 2013				
Balance as at 01/04/2013	589,731	168	(155,184)	434,715
Issued during the period	973	-	-	973
Total comprehensive loss for the period	-	-	(958)	(958)
Balance as at 30/06/2013	590,704	168	(156,142)	434,730

* In 1QFY2015, the Company recognised a return of investment of US\$58.6 million arising from the deemed disposal of two subsidiaries.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2014

	Share Capital US\$'000	Other Reserve US\$'000	Exchange Fluctuation Reserve US\$'000	Total Reserve US\$'000	Accumulated Losses US\$'000	Non- controlling Interests US\$'000	Grand Total US\$'000
Group							
3 months ended 30 June 2014							
Balance as at 01/04/2014	590,883	3,241	1,266	4,507	(300,619)	(3,729)	291,042
Issued during the period	45	-	-	-	-	-	45
Reclassification of reserve	-	-	(1,266)	(1,266)	1,266	-	-
Total comprehensive loss for the period	-	-	-	-	(25,657)	(491)	(26,148)
Balance as at 30/06/2014	590,928	3,241	-	3,241	(325,010)	(4,220)	264,939
3 months ended 30 June 2013							
Balance as at 01/04/2013	589,731	3,241	1,266	4,507	(267,096)	(3,166)	323,976
Issued during the period	973	-	-	-	-	-	973
Total comprehensive loss for the period	-	-	-	-	(14,311)	(260)	(14,571)
Balance as at 30/06/2013	590,704	3,241	1,266	4,507	(281,407)	(3,426)	310,378

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 also the number of shares that may be issued on conversion of all the outstanding convertibles 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.

In 1QFY2015, the Company issued and allotted 1,400,000 new ordinary shares pursuant to the Company's share incentive plan ("Share Incentive Plan").

As a result, the share capital of the Company increased from 4,226,796,724 shares as at 31 Mar 2014 to 4,228,196,724 shares as at 30 June 2014.

Movements in the Company's issued and fully paid up share capital during FY2015 were as follows:

	<u>No. of Shares</u>
As at 1 Apr 2014	4,226,796,724
30 Jun 2014 - Issue of shares pursuant to the Share Incentive Plan	1,400,000
As at 30 June 2014	<u>4,228,196,724</u>

Outstanding Options under the Share Option Plan

The Company had previously granted share options pursuant to the Company's Share Option Plan. The number of outstanding options as at the end of the financial period is as follows:-

	<u>30 Jun 2014</u>	<u>31 Mar 2014</u>
Number of outstanding options	5,000,000	5,000,000

The options are not included in the calculation of diluted earnings per share, as they are anti-dilutive in nature.

Share Incentive Plan

As at 30 June 2014, there are no outstanding shares to be issued under the Company's Share Incentive Plan (31 Mar 2014: 1,400,000 shares). The Company does not intend to make further grant under the Share Incentive Plan.

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 the end of the immediately preceding year.

The total number of issued shares, excluding treasury shares, as at 30 Jun 2014 was 4,228,196,724 compared to 4,226,796,724 as at 31 Mar 2014.

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

Not applicable.

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

The financial statements presented above have not been audited or reviewed by the Company's auditors.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the period ended 31 Mar 2014.

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 adopted the new/revised Financial Reporting Standard ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 Apr 2014. Changes to the Group's accounting policies have been made as required, in accordance with the respective FRS and INT FRS.

The adoption of these new standards, amendments and interpretations has no significant impact to the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Basic earnings per share ("EPS") is calculated by dividing the net loss after taxation and non-controlling interests attributable to shareholders of approximately US\$25.7 million (30 Jun 2013: loss of approximately US\$14.3 million) by the weighted average number of 4,226,796,724 shares (30 Jun 2013: 4,206,535,191 shares) outstanding during the financial period.

Diluted earnings per share is calculated by dividing the net loss after taxation and non-controlling interests attributable to shareholders of approximately US\$25.7 million (30 Jun 2013: loss of approximately US\$14.3 million) by weighted average number of shares, equivalent to 4,226,796,724 shares (30 Jun 2013: 4,206,535,191 shares) outstanding during the financial period.

	<u>Group</u>	
	<u>30/6/2014</u>	<u>30/6/2013</u>
Basic EPS (in US cents)	(0.607)	(0.340)
Diluted EPS (in US cents)	(0.607)	(0.340)

7. Net assets 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.

	<u>Group</u>		<u>Company</u>	
	<u>30/6/2014</u>	<u>31/3/2014</u>	<u>30/6/2014</u>	<u>31/3/2014</u>
Net Assets Value ("NAV") per share (in US cents)	6.37	6.97	8.49	7.11

NAV per share is calculated by dividing the net assets by the existing issued share capital of 4,228,196,724 shares (31 Mar 2014: 4,226,796,724 shares).

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.

For Three Months Ended 30 Jun 2014 (1QFY2015)

Revenue

The Group did not record any revenue in 1QFY2015 as compared to US\$8.9 million mobilisation fees and drilling income from "Jasper Explorer" recorded in 1QFY2014 from drilling operations in offshore Republic of Congo. This decrease in revenue was due to the rig completing drilling operations under its contract in Republic of Congo in Feb 2014 and it did not secure any new contract for the quarter under review.

Profitability

The Group registered a gross loss of US\$14.2 million in 1QFY2015, attributed to operating costs for the "Jasper Explorer".

Other operating expenses comprised consumables and contract labour cost for the "Jasper Cosmopolitan" in Shekou, China.

Administrative expenses stood at US\$3.6 million in 1QFY2015 as compared to US\$3.3 million in 1QFY2014.

Other expenses for 1QFY2015 comprised mainly US\$2.2 million paid to shipyard for "Jasper Cosmopolitan".

Finance costs were maintained at similar level compared to the same period last year.

The Group turned in a net loss after tax and non-controlling interest of US\$25.7 million in 1QFY2015 against a net loss of US\$14.3 million in 1QFY2014.

Statement of Financial Position

Non-current assets

Group non-current assets amounted to US\$407.8 million as at 30 Jun 2014, representing a decrease of US\$4.9 million from US\$412.7 million as at 31 Mar 2014. This decrease was due mainly to depreciation charged for the "Jasper Explorer" of US\$5.2 million. This was offset by an increase of US\$0.3 million in the book value of the "Jasper Explorer", attributed to improvement to the power monitor system.

Current assets

Compared to 31 Mar 2014, Group current assets as at 30 Jun 2014 decreased by US\$27.4 million from US\$59 million as a result of a decrease in cash and bank balances of US\$17.9 million and trade receivables of US\$9.5 million. Trade receivables decreased as a result of payment received from CNOOC for "Jasper Explorer" drilling operation in offshore Republic of Congo for the month of February 2014.

Equity attributable to equity holders of the Group

Group shareholders' fund decreased to US\$269.2 million from US\$294.8 million as at 31 Mar 2014. This decline was attributed mainly to an increase in negative reserve of US\$25.7 million.

Non-current liabilities

Borrowings stood at US\$158.1 million as at 30 Jun 2014 as compared to US\$157.9 million recorded as at 31 Mar 2014.

Current Liabilities

Group current liabilities as at 30 Jun 2014 decreased by US\$6.5 million from US\$22.8 million as at 31 Mar 2014. The decrease in current liabilities was mainly due to the net effect of payment of bond interest of US\$5.4 million and US\$0.9 million decrease in payables to suppliers.

Consolidated Statements of Cash Flows

In 1QFY2015, the Group's net cash used in operating activities amounted to US\$6.7 million. This comprised operating cash flow before working capital changes of US\$15.2 million, adjusted for net working capital outflow of US\$8.6 million. The net working capital inflow was mainly the result of a decrease in trade receivables of US\$9.5 million,

In 1QFY2015, the Group's net cash used in investing activities amounted to US\$0.3 million mainly due to improvement made to the power monitor system of "Jasper Explorer".

In 1QFY2015, the Group recorded a net cash outflow from financing activities of US\$10.9 million which relates mainly to interest payment on the bonds.

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 performance for 1QFY2015 was in line with the sentiments expressed in the Group's full year result announced on 29 May 2014.

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 drilling market remains under pressure and the Company is still actively seeking a contract for the "Jasper Explorer". No drilling revenue is expected to be recorded for 2QFY2015. To manage costs and cashflow whilst the "Jasper Explorer" is not deployed, the Company has reduced operational costs associated with the rig and other expenses, and has initiated discussions with bondholders for relief and waivers from its ongoing financial obligations.

For the "Jasper Cosmopolitan", the Company continues to pursue discussions with several parties for a potential sale or bareboat charter of the vessel.

11. Dividend

(a) Current Financial Period Reported On

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No interim dividend has been recommended.

13. Interested Person Transaction (“IPT”)

The Group has been granted a general mandate from shareholders for IPTs entered into between the Group and certain interested persons of the Company on 25 Jul 2014 (“IPT Mandate”). For 1QFY2015, there was no IPT of S\$100,000 or more in value that was conducted under the IPT Mandate.

In 1QFY2015, the Group had paid US\$92,000 for services rendered by related company of AIML, a substantial shareholder of the Company. The services rendered are IPTs that fall outside the IPT Mandate.

14. Persons occupying managerial position

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company during the period under review.

15. Negative confirmation

The Board of Directors confirms that, to the best of its knowledge, nothing has come to its attention which may render the first quarter financial results as at 30 Jun 2014 to be false or misleading, in any material respect.

BY ORDER OF THE BOARD

Ng Joo Khin
Company Secretary
8 Aug 2014