



## Jason Marine remains profitable for FY2018 amidst challenging market

- ◆ Achieved revenue of S\$31.6m and marginally higher gross profit of S\$10.2m
- ◆ Group reports net profit of S\$45,000 despite net fair value loss on derivative financial instruments of S\$0.7m
- ◆ Proposes first and final dividend of 0.5 S¢ per share
- ◆ Outlook remains cautious on the back of softer demand and intense market competition

SINGAPORE ◆ 30 May 2018

Jason Marine Group Limited (Jason Marine, the Group or 日升海事集团), a leading marine electronics systems integrator and support services provider in Asia, recorded a net profit of S\$45,000 for the financial year ended 31 March 2018 (FY2018) amidst challenging market conditions.

This was achieved on the back of a 4.6% lower revenue of S\$31.6 million, which was due mainly to a decline in airtime revenue to S\$2.5 million in FY2018. The decrease was partially offset by a 1.8% increase in revenue from sale of goods to S\$22.9 million.

Despite the lower revenue, the Group's gross profit grew 2.3% to S\$10.2 million due mainly to the better gross profit margin from the rendering of services segment. FY2018's higher gross profit margin of 32.3% was also supported by Jason Marine's continued efforts at improving cost and operational efficiency. The Group's careful management of costs resulted in a near 8.9% drop in distribution, general and administrative expenses. Reflecting its still healthy balance sheet and prudent cost management, the Group reported a net cash position of S\$17.9 million.

Jason Marine has also proposed a first and final tax-exempt dividend of 0.5 S¢ a share for FY2018, subject to the approval of shareholders at the annual general meeting to be held in July 2018.



The Group remained in the black in FY2018 even with the net fair value loss on derivative financial instruments of S\$0.7 million. Jason Marine recorded a fair value loss of S\$1.6 million arising from the put option on 1,363,953 common stock in eMarine Global Inc. (eMarine Global) held by Jason Marine's wholly-owned subsidiary Jason Venture Pte. Ltd. (JV). As at 31 March 2018, the fair value of the option was S\$3 compared with S\$1.6 million as at 31 March 2017<sup>2</sup>. The fair value loss took into consideration key parameters which include the US dollar market price of publicly-listed eMarine Global versus the option exercise price in Korean won<sup>1</sup>. eMarine Global's shares trade in US dollars on the OTC Pink Market in the US (EMRN.PK) and the valuation was based on a share price of US\$13, or approximately 13,827 Korean won, per share. Shareholders should note that depending on market conditions and other relevant factors, the gain, if any, that the Group may be able to realise on its investment in eMarine Global may not necessarily be the same or close to the accounting impact reflected in the Group's unaudited consolidated financial statements for FY2018. It should be noted that trading in eMarine Global shares appears to be illiquid and that the share prices have been volatile. The aforementioned fair value loss was partially offset by the fair value gain of S\$0.9 million on a derivative relating to Sense Infosys Pte. Ltd. Pursuant to the agreements previously entered into between JV and SIS, in the event that SIS cannot achieve a pre-specified amount of consolidated net profit target for the financial year ending 31 March 2019, JV (as a holder of Series A Convertible Preference Shares ("CPS") and Series A2 CPS), shall be issued such number of bonus Series A CPS and Series A2 CPS based on a specified formula in the agreements

Although the put option suffered a fair value loss, the Group recorded an increase in its available-for-sale financial assets from S\$0.6 million as at 31 March 2017<sup>2</sup> to S\$23.5 million as at 31 March 2018 on its balance sheet due mainly to the market value of its 6% equity stake in eMarine Global.

Jason Marine's Executive Chairman and CEO, Mr Joseph Foo (符昭德先生), said: "Though conditions in the global marine and offshore oil and gas industry have improved, we remain cautious about prospects in the next 12 months. We expect the challenging market conditions to persist, with softer demand for our goods and services. We also expect intense competition to continue to weigh on our margins and affect the Group's financial performance in the near to medium term.

"The Group will focus on strengthening its existing business and look for opportunities to expand and differentiate itself by creating value for customers and leveraging on technology. We will press on in growing our portfolio of integrated communications solutions and actively exercise prudence in managing operational costs."



<sup>1</sup> Under the terms of the relevant agreements, JV has the option to sell all or part of its 1,363,953 shares in eMarine Global between 1 January 2017 and 31 December 2019 to Mr Ung Gyu Kim, the CEO of eMarine Global. The exercise price of the option is 759 Korean won per share plus interest accrued at a rate of 5.38% per annum from 28 October 2011 to the date the option is exercised (Put Option). The exercise period is from 1 January 2017 to 31 December 2019.

<sup>2</sup> The Group has re-stated its balance sheet as well to better reflect the value of JV's shareholding in eMarine Global separately from the fair value of the Put Option, in accordance with the Singapore Financial Reporting Standard 39 – Financial Instruments Recognition and Measurement (FRS 39).

**ABOUT THE COMPANY**

[www.jason.com.sg](http://www.jason.com.sg) ♦ SGX Catalist listing: October 2009

Jason Marine Group Limited (Jason Marine or the Group) is a leading marine electronics systems integrator and support services provider with a global customer base. An expert in marine communication, navigation and automation systems, the Group offers one-stop solutions that span design, supply, integration, installation, testing, commissioning and maintenance.

Jason Marine also resells satellite airtime services to complement its communications business. The Group carries a wide variety of supplies from renowned manufacturers. Its track record of consistently delivering on schedule has anchored its position as one of the leading players in the industry.

Established in 1976, the Group has forged strong relationships with a global base of customers from the marine and offshore oil and gas (O&G) industries. Headquartered in Singapore, it has since expanded into Indonesia, Malaysia, the PRC, Thailand and South Korea. Its growing presence in key shipbuilding markets enables it to move in quickly to win new business.

**FOR FURTHER ENQUIRIES**

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This press release 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 Catalyst. The Sponsor has not independently verified the contents of this press release. This press release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release. 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.