



FORTIFYING  
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**Jason Marine Group Limited**

**FY2018**

**Results Presentation**



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# **FY2018 Financials**

# Highlights of FY2018 Results

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- Jason Marine remains profitable amidst challenging market but suffered net fair value loss on derivative financial instruments of \$0.7 million
- Achieved revenue of S\$31.6 million and marginally higher gross profit of S\$10.2 million
- Proposes first and final dividend of 0.5 S¢
- Balance sheet remains healthy with a net cash position of S\$17.9 million and zero debt

# Remains Profitable in FY2018



(S\$'000)	FY2018	FY2017 (restated)
Revenue	31,646	33,155
Gross Profit	10,218	9,992
Distribution Costs	(4,080)	(4,771)
General and Administrative Expenses	(4,421)	(4,565)
Other Expenses	(1,894)	(1,064)
Profit Before Income Tax	192	685
Profit After Income Tax	67	416
Net Attributable Profit	45	406

- **Revenue:** Fell 4.6% due to lower contribution from the airtime revenue segment, partially offset by higher revenue from the sale of goods segment
  - ✓ **Airtime revenue segment:** Revenue decline of S\$1.9 million due to decrease in airtime services taken up by customers
  - ✓ **Sale of goods segment:** Revenue increased by 1.8% to S\$22.9 million
  - ✓ **Rendering of services segment:** Revenue remained steady at S\$6.3 million
- **Gross profit:** Grew 2.3% to S\$10.2 million. Overall gross profit margin rose to 32.3% in FY2018 from 30.1% in FY2017, due mainly to reduction in costs and improvement in operational efficiency
- **Distribution costs and general & administrative expenses:** Declined to S\$8.5 million in FY2018 from S\$9.3 million in FY2017, mainly from lower salaries for sales, marketing and support staff as well as a decrease in rental, general expenses, repair and maintenance expenses. These were partially offset by a one-off payment to a retired executive director during FY2018.
- **Other expenses:** This includes an increase in net exchange loss of S\$0.9 million and fair value loss of S\$1.6 million arising from the put option on 1,363,953 common stock in e-Marine Global Inc. held by Jason Marine's wholly-owned subsidiary Jason Venture Pte. Ltd. These were partly offset by a fair value gain of S\$0.9 million on a derivative relating to Sense Infosys Pte. Ltd and decreases in allowances made of S\$0.8 million in aggregate.

# Healthy Balance Sheet



(S\$'000)	As at 31 Mar 2018	As at 31 Mar 2017 (restated)
<b>Non-current assets</b>	25,577	3,315
<b>Current assets:</b>		
- Cash and cash equivalents	17,881	23,874
<b>Total Current Assets</b>	33,958	35,562
<b>Non-current &amp; current liabilities</b>	13,083	15,368
<b>Equity attributable to owners of the parent</b>	46,398	23,479

- Group's operations are largely funded by its working capital and cash. There are no bank borrowings
- Shareholders' funds of S\$46.4 million is well-supported by a net cash of S\$17.9 million
- Significant increase in Group's investment in eMarine Global Inc.<sup>(1)</sup> of S\$23.0 million. 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 Inc. shares appears to be illiquid and that its share prices have been volatile.

▪ <sup>(1)</sup> eMarine Global Inc.'s shares is quoted on the OTC Pink Market.

# Cash Flow



(S\$'000)	FY2018	FY2017 (restated)
Net cash (used in)/from operating activities	(5,693)	11,037
Net cash used in investing activities	(197)	(1,188)
Net cash used in financing activities	-	-
Net changes in cash & cash equivalents	(5,890)	9,849
Cash at beginning of financial period	23,874	13,956
Cash at end of financial period	17,881	23,874

- **Net cash outflow from operating activities** was largely due to net cash used in working capital of S\$7.0 million, which resulted mainly from:
  - ✓ Increase in trade and other receivables of S\$6.5 million
  - ✓ Decrease in trade and other payables of S\$0.5 million
  - ✓ Decrease in deferred revenue of S\$1.4 million
  - ✓ Partially offset by the decrease in inventories of S\$1.4 million
- **Net cash from investing activities** was due mainly to:
  - ✓ Conversion of convertible loan to Ipromar (Pte) Ltd of S\$0.2 million into new ordinary shares in the capital of Ipromar by Group's wholly-owned Jason Venture Pte. Ltd.
  - ✓ Purchase of plant and equipment of S\$0.2 million
  - ✓ Partially offset by proceeds from disposal of plant and equipment of S\$0.2 million



# Outlook & Strategy



# Cautious Over Industry Outlook

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- Expects market conditions to remain challenging despite improved conditions in the global marine and offshore oil and gas industry
- Pressure on margins to persist on the back of softer demand for goods and services and intense market competition
- The Group will focus on strengthening its existing business and look for opportunities to expand and differentiate its business activities by creating value for customers and leveraging on technology
- The Group will also actively exercise prudence in managing operational costs



**Thank You**