



**UNAUDITED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED
30 SEPTEMBER 2020**

1(a) An income statement and statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial period.

CONSOLIDATED INCOME STATEMENTS

	Group		Increase / (Decrease) %
	30.09.20 S\$'000	30.09.19 S\$'000	
Revenue	11,944	13,966	(14.5)
Cost of sales	(7,705)	(10,438)	(26.2)
Gross profit	4,239	3,528	20.2
Other items of income			
Other income	1,253	1,392	(10.0)
Interest income	27	68	(60.3)
Other items of expense			
Distribution costs	(2,625)	(2,569)	2.2
General and administrative expenses	(1,941)	(1,842)	5.4
Finance costs	(8)	(15)	(46.7)
Other expenses	(198)	(3)	NM
Write back of impairment loss on financial assets	27	426	(93.7)
Share of results of associates, net of tax	(13)	5	NM
Profit before income tax	761	990	(23.1)
Income tax expense	(13)	(7)	85.7
Profit for the financial year	748	983	(23.9)
Profit attributable to:			
Owners of the parent	755	976	(22.6)
Non-controlling interests	(7)	7	NM
Profit for the financial year	748	983	(23.9)

NM: Not Meaningful



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Group		Increase / (Decrease) %
	Six months ended 30.09.20 S\$'000	30.09.19 S\$'000	
Profit for the financial period	748	983	(23.9)
Other comprehensive income:			
<u>Items that may be reclassified subsequently to profit & loss account:</u>			
Foreign currency difference on translation of foreign operations	22	102	(78.4)
<u>Items that will not be reclassified subsequently to profit & loss account:</u>			
Net loss on fair value changes of financial assets, at FVOCI	(384)	(2,490)	(84.6)
Other comprehensive income for the financial period, net of tax	(362)	(2,388)	(84.8)
Total comprehensive income for the financial period, net of tax	386	(1,405)	NM
Total comprehensive income attributable to:			
Owners of the parent	393	(1,414)	NM
Non-controlling interests	(7)	9	NM
	386	(1,405)	NM

NM: Not Meaningful



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

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

	Group		Increase / (Decrease) %
	30.09.20 S\$'000	30.09.19 S\$'000	
Write back of/(Allowance for) impairment loss on doubtful trade and other receivables, net	27	(74)	NM
Bad debt expenses	-	(3)	NM
Depreciation of plant and equipment and right-of-use assets	(325)	(314)	3.5
Fair value gain on derivative financial instruments, net	344 ⁽¹⁾	538 ⁽²⁾	(36.1)
Foreign exchange (loss)/gain, net	(185)	105	NM
Government grants	901 ⁽³⁾	193	366.8
Interest income	27	68	(60.3)
Sundry income			
- contract termination payment	-	401	NM
- others	8	38	(78.9)
Write back of impairment loss on doubtful other receivables - associate	-	500 ⁽⁴⁾	NM
(Allowance for)/Write back of inventory obsolescence	(13)	117	NM

NM: Not Meaningful

Notes:

- (1) The fair value gain on derivative financial instruments of approximately S\$344,000 relates to foreign currency forward contracts.
- (2) This includes fair value gain of approximately S\$617,000 in relation to the put option held by the Group to sell its entire investment in eMarine Global Inc., which was based on a valuation performed by an independent valuation firm.
- (3) The government grants relate mainly to Jobs Support Scheme introduced by the Singapore Government as part of the COVID-19 support measures.
- (4) This relates to the write back of allowance for impairment loss for the convertible loans drawn down by Sense Infosys Pte. Ltd.


1(b)(i) A balance sheet (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 30.09.20 S\$'000	As at 31.03.20 S\$'000	As at 30.09.20 S\$'000	As at 31.03.20 S\$'000
Non-current assets				
Plant and equipment	860	715	-	-
Right-of-use assets	236	414	-	-
Investments in subsidiaries	-	-	15,555	15,555
Investments in associates	77	89	-	-
Financial assets, at FVOCI	429	813	-	-
Trade receivables	58	57	-	-
Deferred tax assets	4	5	-	-
Total non-current assets	1,664	2,093	15,555	15,555
Current assets				
Inventories	6,185	4,103	-	-
Trade and other receivables	7,104	6,860	1,210	1,790
Contract assets	3,168	3,425	-	-
Derivative financial instruments	1,496	1,392	-	-
Prepayments	170	183	19	20
Income tax recoverable	3	3	-	-
Cash and cash equivalents	15,862	14,643	5,662	5,579
Total current assets	33,988	30,609	6,891	7,389
Less:				
Current liabilities				
Trade and other payables	7,487	4,508	483	497
Contract liabilities	3,043	2,580	-	-
Derivative financial instruments	-	172	-	-
Income tax payable	1	2	-	-
Lease liabilities	199	361	-	-
Total current liabilities	10,730	7,623	483	497
Net current assets	23,258	22,986	6,408	6,892
Less:				
Non-current liabilities				
Deferred tax liabilities	3	3	-	-
Lease liabilities	44	62	-	-
	47	65	-	-
Net assets	24,875	25,014	21,963	22,447
Capital and reserves				
Share capital	17,967	17,967	17,967	17,967
Treasury shares	(255)	(255)	(255)	(255)
Fair value adjustment reserve	(163)	221	-	-
Foreign currency translation account	(73)	(95)	-	-
Retained earnings	7,336	7,106	4,251	4,735
Equity attributable to the owners of the parent	24,812	24,944	21,963	22,447
Non-controlling interests	63	70	-	-
Total equity	24,875	25,014	21,963	22,447



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

Amount repayable in one year or less, or on demand

As at 30.09.20		As at 30.09.19	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

Amount repayable after one year

As at 30.09.20		As at 30.09.19	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

Details of any collateral

As at 30 September 2020, the Group did not have any secured or unsecured borrowings.

**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	
	30.09.20	30.09.19
	S\$'000	S\$'000
Operating activities		
Profit before income tax	761	990
Adjustments for:		
Fair value gain on derivative financial instrument, net	(344)	(538)
Depreciation of plant and equipment and right-of-use assets	325	314
Interest income	(27)	(68)
Interest expenses	8	15
Share of results of associates	13	(5)
Unrealised exchange loss	238	80
Write back of impairment loss on doubtful trade and other receivables	(27)	(426)
Allowance for/(Write back of) inventory obsolescence	13	(117)
Operating cash flows before working capital changes	960	245
Working capital changes:		
Inventories	(2,095)	362
Trade and other receivables	(221)	(6,964)
Contract assets	257	4,325
Prepayments	13	38
Trade and other payables	2,979	(19)
Contract liabilities	463	(16)
Cash generated from/(used in) operations	2,356	(2,029)
Interest received	27	68
Income tax paid	(13)	(242)
Net cash generated from/(used in) operating activities	2,370	(2,203)
Investing activity		
Purchase of plant and equipment, representing net cash used in investing activity	(291)	(146)
Financing activities		
Dividend paid	(525)	(525)
Interest paid	(8)	(15)
Payment of lease liabilities	(180)	(168)
Net cash used in financing activities	(713)	(708)
Net change in cash and cash equivalents	1,366	(3,057)
Cash and cash equivalents at beginning of financial year	14,643	14,165
Effects of foreign exchange rate changes on cash and cash equivalents	(147)	25
Cash and cash equivalents at end of financial period	15,862	11,133
Cash and cash equivalents comprise of the following:		
Fixed deposits	7,157	5,711
Cash and bank balances	8,705	5,422
Cash and cash equivalents included in the consolidated statement of cash flows	15,862	11,133


JASON MARINE GROUP LIMITED

(Company Registration No. 200716601W)

(Incorporated in the Republic of Singapore)

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 1 April 2020	17,967	(255)	221	(95)	7,106	24,944	70	25,014
Profit for the financial period	-	-	-	-	755	755	(7)	748
Other comprehensive income for the financial period								
Net change in fair value of financial assets at FVOCI	-	-	(384)	-	-	(384)	-	(384)
Foreign currency differences on translation of foreign operations	-	-	-	22	-	22	-	22
Total comprehensive income for the financial period	-	-	(384)	22	755	393	(7)	386
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 2020	17,967	(255)	(163)	(73)	7,336	24,812	63	24,875
Balance at 1 April 2019	17,967	(255)	3,302	(60)	5,436	26,390	68	26,458
Profit for the financial period	-	-	-	-	976	976	7	983
Other comprehensive income for the financial period								
Net change in fair value of financial assets at FVOCI	-	-	(2,490)	-	-	(2,490)	-	(2,490)
Foreign currency differences on translation of foreign operations	-	-	-	100	-	100	2	102
Total comprehensive income for the financial period	-	-	(2,490)	100	976	(1,414)	9	(1,405)
Distributions to owners of the parent								
Dividends	-	-	-	-	(525)	(525)	-	(525)
Total transactions with the owners of the parent	-	-	-	-	(525)	(525)	-	(525)
Balance at 30 September 2019	17,967	(255)	812	40	5,887	24,451	77	24,528



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 1 April 2020	17,967	(255)	4,735	22,447
Profit for the financial period	-	-	41	41
Total comprehensive income for the financial period	-	-	41	41
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 2020	17,967	(255)	4,251	21,963
Balance at 1 April 2019	17,967	(255)	5,068	22,780
Loss for the financial period	-	-	(189)	(189)
Total comprehensive income for the financial period	-	-	(189)	(189)
Transactions with the owners of the parent				
Dividends	-	-	(525)	(525)
Total transactions with the owners of the parent	-	-	(525)	(525)
Balance at 30 September 2019	17,967	(255)	4,354	22,066



- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 was no change in the Company's share capital since the end of the previous period reported on, being the period between 1 April 2020 and 30 September 2020.

The Company held 1,000,000 treasury shares as at 30 September 2020 (30 September 2019: 1,000,000). There were no subsidiary holdings as at 30 September 2020 (30 September 2019: 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 2020 was approximately 0.9% (30 September 2019: 0.9%).

As at 30 September 2020 and 30 September 2019, 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 30.09.20	As at 31.03.20
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>105,000,000</u>	<u>105,000,000</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 30.09.20
Treasury shares:	
Balance at beginning and end of period	1,000,000

During the six months ended 30 September 2020, there was no change in the number of treasury shares held.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at 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 modifications or emphasis of a matter).**

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

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable as the Company's financial statements are not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

- 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 and the Company have 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 2020.

- 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 Singapore Financial Reporting Standards (International) ("SFRS(I)") and interpretations that are mandatory for application from 1 April 2020. The adoption of these new SFRS(I) and interpretation did not result in material changes to the Group's accounting policies and has no material effect on the amounts reported for the current financial period.



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

EARNINGS PER SHARE ("EPS")	Group	
	30.09.20	30.09.19
Profit for the financial period attributable to owners of the parent (S\$'000)	755	976
Weighted average number of Shares excluding treasury shares used in the computation of EPS ('000)	105,000	105,000
EPS (cents) (Basic and diluted) ⁽¹⁾	0.72	0.93

Note:

(1) Basic and diluted EPS 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 30.09.20	As at 31.03.20	As at 30.09.20	As at 31.03.20
NAV per Share (cents)	23.69	23.82	20.92	21.38
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 2020 ("HY2021") compared to six months ended 30 September 2019 ("HY2020")**

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 relates to supply of equipment as well as project-based revenue relating 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\$2.0 million or 14.5% from approximately S\$14.0 million in HY2020 to approximately S\$11.9 million in HY2021. The decrease came from the sale of goods segment and rendering of services segment of approximately S\$1.1 million and S\$0.9 million respectively. Although the Group's business activities were largely operational during the circuit breaker period in Singapore from April to June 2020, certain project deliveries were pushed back. In HY2021, demand for the Group's goods and services also decreased amidst challenging market conditions and travel restrictions globally as a result of the evolving COVID-19 situation. The drop in oil price resulted in a delay by oil and gas companies in awarding contracts to the Group's customers which in turn affected the demand for the Group's goods and services.

The Group's cost of sales decreased by approximately S\$2.7 million or 26.2% from S\$10.4 million in HY2020 to S\$7.7 million in HY2021, partly due to the decrease in revenue.

Despite the decrease in revenue, the Group's gross profit increased by approximately S\$0.7 million or 20.2% from S\$3.5 million in HY2020 to S\$4.2 million in HY2021. The overall gross profit margin increased from 25.3% in HY2020 to 35.5% in HY2021, due to better execution of the Group's existing projects in the information communication technology sector under the sale of goods business segment.

Other items of income (including interest income) decreased by approximately S\$0.2 million or 12.3% from approximately S\$1.5 million in HY2020 to approximately S\$1.3 million in HY2021 due to absence of (i) sundry income of approximately S\$0.4 million mainly relating to contract termination payments from a customer, (ii) fair value gain on derivative financial instruments of approximately S\$0.5 million, mainly arising from the investment in eMarine Global Inc. ("eMarine"), (iii) write-back of allowance for inventory obsolescence of approximately S\$0.1 million, and (iv) foreign exchange gain of S\$0.1 million. These were offset by (i) an increase in government grant income of approximately S\$0.8 million, mainly due to the Jobs Support Scheme introduced by the Singapore Government as part of the COVID-19 support measures, as well as (ii) fair value gain in derivative financial instruments of approximately S\$0.3 million arising from the foreign currency forward contracts.

The Group's distribution costs remained at approximately S\$2.6 million in HY2021. This was despite the decrease in travelling and entertainment expense of approximately S\$0.2 million as a result of travel restrictions imposed by various countries in response to COVID-19 pandemic, offset by an increase in manpower cost for sales, marketing and support staff of approximately S\$0.2 million, mainly due to variable bonus, annual wage supplement and unutilised leave provisions.

The Group's general and administrative expenses increased by approximately S\$0.1 million or 5.4% from approximately S\$1.8 million in HY2020 to approximately S\$1.9 million in HY2021, mainly attributable to an increase in manpower cost for general and administrative staff of approximately S\$0.1 million, mainly due to annual wage supplement and unutilised leave provisions.

The Group's other expenses increased by approximately S\$0.2 million from approximately S\$3,000 in HY2020 to approximately S\$0.2 million in HY2021 mainly due to foreign exchange loss of approximately S\$0.2 million.

The Group's write back of impairment loss on financial assets decreased by approximately S\$0.4 million or 93.7% from approximately S\$0.4 million in HY2020 to approximately S\$27,000 in HY2021, mainly due to an absence of write-back of allowance for impairment loss on doubtful trade and other receivables of approximately S\$0.5 million arising from the recovery of a loan extended to Sense Infosys Pte Ltd in HY2020.

The Group's share of results from associates was a loss of approximately S\$13,000 in HY2021 as compared to a profit of S\$5,000 in HY2020.

The Group's income tax expense increased by approximately S\$6,000 or 85.7% from approximately S\$7,000 in HY2020 to approximately S\$13,000 in HY2021.



As a result of the foregoing, profit after income tax attributable to owners of the parent decreased by approximately S\$0.2 million or 22.6% from approximately S\$1.0 million in HY2020 to approximately S\$0.8 million in HY2021. Excluding the foreign exchange gain/loss, write-back of impairment loss of other receivables as well as fair value gain/loss in derivative financial instruments, net profit would have been S\$0.6 million for HY2021 as compared to a net loss of S\$0.2 million for HY2020.

	Group		Increase / (Decrease) %
	30.09.20	30.09.19	
	S\$'000	S\$'000	
Profit for the financial year	748	983	(23.9)
Adjustments:			
Write back of impairment loss of other receivables in SIS	-	(500)	NM
Fair value gain on derivative financial instruments, put option in eMarine	-	(617)	NM
Fair value (gain)/loss on derivative financial instruments, others	(344)	79	NM
Foreign exchange loss/(gain), net	185	(105)	NM
	589	(160)	NM

REVIEW OF FINANCIAL POSITION OF THE GROUP

Total non-current assets decreased by approximately S\$0.4 million, from approximately S\$2.1 million as at 31 March 2020 to approximately S\$1.7 million as at 30 September 2020. This was mainly due to a decrease in (i) financial assets at FVOCI of approximately S\$0.4 million and (ii) a decrease in ROU assets of approximately S\$0.2 million as a result of depreciation, offset by an increase 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 eMarine, a company which is listed on the OTC market in the United States of America. The fair value of the Group's investment in eMarine, as reported in the Group's audited consolidated financial statements for the financial year ended 31 March 2020, was approximately S\$0.5 million, based on the closing quoted market price on the last market trading day of the financial year of US\$0.25.

As at 30 September 2020, the fair value of the investment in eMarine amounted to S\$0.1 million based on the market price of eMarine of US\$0.06 on the last market trading day of HY2021¹. Accordingly, the Group had recognised a net fair value loss of approximately S\$0.4 million which was accounted for in the Group's consolidated statement of comprehensive income for HY2021.

Total current assets increased by approximately S\$3.4 million, from approximately S\$30.6 million as at 31 March 2020 to approximately S\$34.0 million as at 30 September 2020. This was mainly due to an increase in (i) inventories of approximately S\$2.1 million, (ii) cash and cash equivalents of approximately S\$1.2 million, (iii) trade and other receivables of approximately S\$0.2 million, and (iv) derivative financial instruments of approximately S\$0.1 million. These increases were offset by a decrease in contract assets of approximately S\$0.3 million. As at 30 September 2020, the fair value of the put option in relation to the Group's investment in eMarine accounted under derivative financial instruments amounted to S\$1.4 million¹.

The increase in inventories was due to the purchase of equipment required for existing projects undertaken by the Group, which is scheduled to be delivered in the second half of this financial year.

¹ Please also refer to the Company's recent announcement dated 13 October 2020 in relation to the bankruptcy of e-Marine Co Ltd and the exercise of the put option to dispose of the Group's investment in eMarine.



Total current liabilities increased by approximately S\$3.1 million, from approximately S\$7.6 million as at 31 March 2020 to approximately S\$10.7 million as at 30 September 2020. This was due mainly to an increase in (i) trade and other payables of approximately S\$3.0 million, and (ii) contract liabilities of approximately S\$0.5 million. These were offset by a decrease in (i) lease liabilities of approximately S\$0.2 million, and (ii) derivative financial instruments of approximately S\$0.2 million.

Total non-current liabilities decreased by S\$18,000, from approximately S\$65,000 as at 31 March 2020 to approximately S\$47,000 as at 30 September 2020.

As at 30 September 2020, capital and reserves amounted to approximately S\$24.8 million comprising mainly share capital of approximately S\$18.0 million, retained earnings of approximately S\$7.3 million, partially offset by treasury shares held of approximately S\$0.3 million and fair value adjustment reserve of approximately negative S\$0.2 million.

REVIEW OF STATEMENT OF CASH FLOWS OF THE GROUP

In HY2021, net cash generated from operating activities before working capital changes was approximately S\$1.0 million. Net cash generated from working capital amounted to approximately S\$1.4 million, mainly due to (i) an increase in trade and other payables of approximately S\$3.0 million, (ii) an increase in contract liabilities of approximately S\$0.5 million, (iii) a decrease in contract assets of approximately S\$0.3 million, offset by (i) an increase in inventories of S\$2.1 million, as well as (ii) an increase in trade and other receivables of approximately S\$0.2 million. After payment of income tax expenses of approximately S\$13,000, offset by interest received of approximately S\$27,000, the net cash generated from operating activities amounted to approximately S\$2.4 million in HY2021.

Net cash used in investing activities in HY2021 was approximately S\$0.3 million, attributable to the purchase of plant and equipment.

Net cash used in financing activities in HY2021 was approximately S\$0.7 million, due to payment of dividend of approximately S\$0.5 million and payment of lease liabilities as well as interest of approximately S\$0.2 million during the current reporting period.

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

No forecast or prospect statement in relation to the Group's results for HY2021 has been previously disclosed to shareholders.

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 highly challenging and its financial performance will continue to be affected by the uncertainties and developments in the marine offshore oil and gas industry, exacerbated by the evolving COVID-19 situation and the drop in oil price. Although the Group's business activities have remained largely operational thus far, certain project deliveries have been pushed back due to the circuit breaker measures implemented by the Singapore Government. Demand for the Group's goods and services has also decreased amidst the challenging market conditions and travel restrictions globally. The Group continues to be in a robust financial position with sufficient liquidity and bank facilities to weather the crisis.

The Group will continue to engage existing and new customers with new product and service offerings, as well as expanding its overseas presence in order to increase its service network. Given the difficult operating environment that the marine and offshore oil and gas industry is facing, the Group will continue to monitor closely on the evolving situation and actively exercise prudence in managing operational costs.



The Group had on 13 October 2020 announced the bankruptcy of e-Marine Co., Ltd, a subsidiary of eMarine, as well as the exercise on 13 October 2020 of a put option to dispose of its investment in eMarine (the "eMarine Investment"). The counterparty is legally obliged to make payment for the eMarine Investment by 12 November 2020 (being one month from the receipt of the notice to exercise the put option). As at the date of this announcement, the Group has yet to receive the payment for the eMarine Investment. In the event that the Group is able to collect the full amount of the consideration from the counterparty, the Group will recognise a net gain of approximately S\$0.3 million in its profit and loss account in the second half of FY2021. In the event that the counterparty is unable to pay the full amount of the consideration, the Group will recognise a net loss of S\$1.5 million in its profit and loss account in the second half of FY2021.

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 HY2021.

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 HY2020.

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 shareholders, this must be stated)

Not applicable.

(d) Date payable

Not applicable.

(e) Book closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

The Board of Directors (the "Board") is not recommending any interim dividend having considered the current challenging environment.

**13. Interested Person Transactions**

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Foo Chew Tuck Lease of office premises from: (i) JE Holdings Pte Ltd (ii) Unity Consultancy Pte. Ltd. (iii) Jason Harvest Pte Ltd Total:	S\$'000	S\$'000
	65 6 44	
	115	Not applicable

The Group did not obtain any general mandate from 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 2020 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 pursuant to Appendix 7H of Rule 720(1) of the Listing Manual

The Company confirms that it has already procured signed undertakings from all its directors and relevant executive officers 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
10 November 2020

This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist (the "Catalist Rules"). This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes 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.