

JASPER INVESTMENTS LIMITED
(Company Registration No. 198700983H)
(the “Company”)

**RESPONSE TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED’S
QUERIES ON THE COMPANY’S FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED
31 DECEMBER 2020 RELEASED VIA SGXNET ON 5 FEBRUARY 2021**

The Board of Directors (the “Board”) of Jasper Investments Limited (the “Company”) wishes to respond to comments received from the Singapore Exchange Securities Trading Limited (the “SGX-ST”) in relation to the Company’s financial statements for the third quarter ended 31 December 2020 released via SGXNET on 5 February 2021.

SGX-ST Query 1

Please disclose a breakdown of trade and other payables amounting to S\$500,000 for the Group as at 31 December 2020. For other payables, please disclose the aging and nature of these other payables and whether the counterparties are related parties.

Company’s Response

As requested, a breakdown of trade and other payables for the Group as at 31 December 2020 is as follows:

Descriptions of Payables	Amount Payable (S\$)	Aging as at 31 December 2020 (in days)
Audit fees and expenses	85,946.61	210
Expenses incurred and due to various service providers (including the share registrar) in relation to the Annual General Meeting held	74,521.81	120
Legal fees and expenses	50,983.17	150
Salaries	11,798.00	90
Directors’ fees	255,291.67	More than 365 days
Central Provident Fund payment	1,031.25	15
The Central Depository (Pte) Ltd	11,195.95	180
Corporate secretarial services fees and expenses	9,635.50	210
Telephony and internet charges	240.22	180
Total	500,644.18 as of 31 December 2020	

Note: Only the directors’ fees and salaries are due and owing to related parties of the Company (namely, the Directors, former Directors and management staff of the Company).

SGX-ST Query 2

It is stated on page 9 of the financial results:- "Group current liabilities stood at S\$710,000 as at 31 Dec 2020 as compared to S\$433,000 recorded as at 31 Mar 2020. The increase was due mainly to the shareholder loan of S\$103,000, accrual of director fees and general expenses of S\$174,000." It is also stated on page 10 of the financial results:- " In the meantime, the Company has been relying on funding from its controlling shareholder for its cash flow needs." Please disclose:-

- a. the identity of the controlling shareholder;*
- b. details of the loan(s) from the controlling shareholder, including the terms of the loan(s), interest on the loan(s) and maturity date(s);*
- c. when were the loan(s) obtained and approved by the Board including the Audit Committee; and*
- d. the use of proceeds from the loan(s).*

Company's Response

- a. The identity of the controlling shareholder.*

The controlling shareholder which has extended the shareholder loans is Polaris Nine Private Limited, currently the holder of approximately 36.5% shareholding interest in the Company.

- b. Details of the loan(s) from the controlling shareholder, including the terms of the loan(s), interest on the loan(s) and maturity date(s).*

The total principal amount of the loans from the controlling shareholder is S\$190,000 at an interest of 3% per annum.

The maturity date of the first loan of S\$90,000 was originally fixed for 31 October 2020 (unless extended by the controlling shareholder) and the maturity date of the second loan of S\$100,000 is 30 September 2021 (unless extended by the controlling shareholder). The controlling shareholder has indicated that it does not intend to demand for the repayment of the loans unless the Company has available funds to effect such repayment.

- c. When were the loan(s) obtained and approved by the Board including the Audit Committee.*

The loans were obtained and approved by the Board including the Audit Committee on 7 November 2019 and 1 October 2020 respectively.

- d. The use of proceeds from the loan(s).*

The proceeds of the loans have been used to discharge the following liabilities:

Descriptions of Payables	Amount Paid (\$\$)
Directors' fees (partial payment of fees owing to ex-Directors)	40,000.00
Annual listing fee paid to the SGX-ST	37,450.00
Office rental and miscellaneous related charges paid to landlord	39,167.01
Insurance	17,494.50
Salaries	53,077.66

SGX-ST Query 3

As at 31 December 2020, the Group has total current liabilities of S\$710,000, net total liabilities of S\$656,000, with cash and bank balances of S\$21,000. In addition, the Group has a loss after tax of S\$106,000 for 3Q FY2021 and S\$356,000 for 9M FY2021. The net cash used in operating activities is S\$91,000 for 3Q FY2021 and S\$122,000 for 9M FY2021 respectively.

It is also stated on page 10 of the financial results that:-

“The Company has been reaching out to contract principals to determine if the projects that the Group is slated to work on would commence or resume anytime soon. Unfortunately, the Group has yet to receive any definitive guidance on when the aforesaid projects would commence or resume, if at all. The Company has concurrently been looking out for other marine logistics and management contracts to work on. Whilst there has been some progress in the discussions with potential contract principals, there is no assurance that the Group would be able to secure such other contracts and, if secured, such contracts would generate sufficient cash flow for the Group to meet its expenses. In the meantime, the Company has been relying on funding from its controlling shareholder for its cash flow needs. The Board would have to consider if the Group is not able to generate sufficient revenue to meet its expenses and unable to raise sufficient funding (whether from its shareholders or otherwise), the Company could cease to be a going concern.”

- i. *Please disclose the pro-active actions which management plans to take to ensure that the Group’s financial position remains strong.*
- ii. *Please assess the Company and Group’s ability to operate as a going concern.*
- iii. *Please assess the Company and Group’s ability to meet its debt covenants (if any).*
- iv. *Please assess the Company and Group’s ability to meet its short-term obligations when they fall due.*

Company’s Response

- i. *Please disclose the pro-active actions which management plans to take to ensure that the Group’s financial position remains strong.*

The management has been taking steps to source for new marine transportation contracts by engaging with consultants and contractors within the business network of the Company’s directors, controlling shareholder and business associates and who have the potential of awarding jobs to the Group whilst awaiting the commencement of projects in the North Asia region which the Company has previously been approached to work on. The most recent discussion was with the representatives of Riau Capital Resources Pte. Ltd. which has made a commitment to introduce the Group to potential customers as well as provide funding to the Group for its working capital requirements. Please refer to the Company’s announcement released on 20 February 2021 (SGXNET Announcement Reference No. SG2102200THRN9BF) for information on the cash subscription of 811,111,111 new ordinary shares to be issued out of the capital of the Company.

- ii. *Please assess the Company and Group’s ability to operate as a going concern.*

Apart from having the financial support from the controlling shareholder of the Company as per the shareholder’s loan described above, the Company has received commitment from Riau Capital Resources Pte. Ltd. to subscribe for 811,111,111 new ordinary shares of the Company for a total subscription amount of S\$2.19 million (the “**Subscription**”). Accordingly, and subject to the completion of the Subscription, and barring unforeseen circumstances, the Company and the Group are confident of the ability to operate as a going concern.

- iii. *Please assess the Company and Group’s ability to meet its debt covenants (if any).*

The Company and the Group presently do not have any bank or other financial facility that requires the Company or the Group to observe debt or financial covenants.

- iv. *Please assess the Company and Group's ability to meet its short-term obligations when they fall due.*

The proceeds from the Subscription, when completed, will be sufficient to meet the present working capital requirements of the Company and the Group including the settlement of the outstanding liabilities as recorded in the books of the Group as at the date of this announcement.

By Order of the Board

Michael Chan Wai Kwong
Independent Chairman

5 March 2021