

JASON MARINE GROUP LIMITED

(Company Registration No.: 200716601W)

(Incorporated in the Republic of Singapore)

GRANT OF CONVERTIBLE LOAN BY JASON VENTURE PTE. LTD. (A WHOLLY-OWNED SUBSIDIARY OF JASON MARINE GROUP LIMITED) TO SENSE INFOSYS PTE. LTD.

1. INTRODUCTION

The board (the “**Board**”) of directors (“**Directors**”) of Jason Marine Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 15 January 2015, 31 March 2015, 25 April 2016 and 6 May 2016.

The Board is pleased to announce that its wholly-owned subsidiary, Jason Venture Pte. Ltd. (“**JVPL**” or the “**Lender**”), has today further entered into a legally binding term sheet (the “**Terms and Conditions**”) with Sense Infosys Pte. Ltd. (“**SIS**” or the “**Borrower**”) pursuant to which JVPL has agreed to grant a convertible loan of up to S\$750,000 to SIS (the “**Loan**”), subject to the Terms and Conditions.

As at the date of this announcement, SIS has an issued and paid-up share capital of S\$2,700,000 comprising 259,060 ordinary shares (“**Ordinary Shares**”), and 163,740 convertible preference shares (“**CPS**”). As at the date of this announcement, JVPL holds 103,340 CPS (representing 63.1% of the total number of issued CPS), which are convertible by JVPL into Ordinary Shares of SIS representing approximately 24.4% of the enlarged share capital of SIS (assuming all other holders of CPS also convert such CPS into Ordinary Shares).

The Group has a nominee director, Mr Tan Lian Huat who is the Company’s Chief Executive Officer, on the board of SIS. SIS is accounted for in the financial statements of the Group as an associate.

2. THE LOAN

The Loan shall be used by SIS for working capital purpose.

Subject to the relevant conditions precedent being satisfied (or waived), the Loan shall be available for draw down by SIS over a period of one (1) year from the date of the Terms and Conditions. SIS shall be obliged to draw down a minimum amount of S\$375,000 within the availability period.

JVPL may, in its absolute discretion, at any time, on only one (1) occasion, from the date of the last draw down of the Loan to the later of (i) 24 months from the date of the last drawdown; or (ii) the completion of the next round of fund-raising by SIS which SIS will notify JVPL of such completion (“**Conversion Period**”), convert all the actual amount of Loan which has been disbursed to SIS by JVPL into CPS in accordance with a specified formula (which is dependent on, *inter alia*, the valuation of the business of SIS to be conducted at the time JVPL decides to exercise such right of conversion).

In accordance with Rule 1018(3) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”), the Company will make an appropriate announcement and comply with the requirements of Chapter 10 of the Catalyst Rules if and when JVPL exercises its right of conversion in relation to the Loan.

Unless the Loan has been converted during the Conversion Period, SIS shall repay the outstanding amount of the Loan together with simple interest at a rate of 12% per annum, calculated from the first draw down date, within 12 months from the first day after the Conversion Period.

The Loan is secured against the personal guarantees to be given jointly and severally by Mr Chow Ngee Ken and Mr Yong Kai Chin, who are directors and shareholders of SIS.

Further details of the conversion formula and the Terms and Conditions are set out in the Appendix to this announcement.

3. INFORMATION ON SIS

SIS is a company incorporated in Singapore on 24 January 2013, and provides advanced risk analytic solutions to government and security agencies, and financial services industry, by leveraging open source intelligence (OSINT) and KLAVER, which is SIS's proprietary and data fusion analytics technology platform. SIS has a 65%-owned subsidiary, E@SIS Pte. Ltd., which was incorporated in Singapore on 24 September 2013, and is involved in the business of manufacturing of network products.

As at the date of this announcement, SIS has an issued and paid-up share capital of S\$2,700,000 comprising 259,060 Ordinary Shares and 163,740 CPS. Each of Messrs Chow Ngee Ken, Yong Kai Chin and Tng Sian Soon holds 159,060 Ordinary Shares, 50,000 Ordinary Shares and 50,000 Ordinary Shares, respectively, and each of JVPL and Cap Vista Pte. Ltd. holds 103,340 CPS and 60,400 CPS, respectively.

Based on the audited consolidated accounts provided by SIS, the audited consolidated total assets and total liabilities of SIS amounted to approximately S\$1.9 million and S\$1.0 million respectively as at 31 March 2017. The audited consolidated net loss of SIS for the 15-month period from 1 January 2016 to 31 March 2017 was approximately S\$1.2 million.

4. RATIONALE

The Terms and Conditions were arrived at after arm's length negotiations and taking into account, *inter alia*, the management's expertise, the technological know-how, the market potential of SIS' proprietary products, and the future plans and business prospects of SIS.

The Loan will enable SIS to further develop its business. The Loan will be funded entirely using the Group's internal cash resources. The Board is of the view that the Loan represents an opportunity for the Group to deploy its cash resources and potentially further increase its interest in a complementary business with promising prospects.

5. FINANCIAL EFFECTS

The Loan is not expected to have any material impact on the earnings per share or the net tangible assets per share of the Company and the Group for the current financial year ending 31 March 2018.

6. RESPONSIBILITY STATEMENT

As at the date of this announcement, none of the Directors has any other interest, direct or indirect, in the Loan or SIS (other than by reason only of being a Director). As at the date of this announcement, the Company has not received any notification from any of the Company's controlling shareholders that it has any interest, direct or indirect, in the Loan or SIS (other than by reason of their shareholding interest in the Company).

This announcement has been reviewed and approved by the Board (including those who may have been delegated detailed supervision of the preparation of this announcement). The Directors collectively and individually accept full responsibility for the accuracy of the

information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Loan, the Company and its subsidiaries and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

BY ORDER OF THE BOARD

Foo Chew Tuck
Executive Chairman

9 November 2017

*This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**") for compliance with the Catalist Rules. The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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.*

APPENDIX: PRINCIPAL TERMS OF THE TERMS AND CONDITIONS

The principal terms of the Terms and Conditions are summarised as follows:

Loan Amount:	JVPL shall grant a Loan of up to S\$750,000 (" Cap "), subject to the Minimum Drawdown Obligation (as defined below), upon the terms and conditions herein.
Minimum Drawdown Obligation:	SIS shall be obliged to draw down a minimum amount of S\$375,000 within the Availability Period (as defined below) (" Minimum Drawdown Obligation ").
Number of Drawdowns:	SIS shall only be allowed to draw down on the Loan once every month during the Availability Period (as defined below) (" Drawdown Number Limit "). For the avoidance of doubt, SIS will be allowed to draw down any amount of the Loan, subject to the Cap and the Drawdown Number Limit.
Purpose of Loan:	The Loan shall be used by SIS for working capital purpose, but JVPL shall not be obliged to check if SIS does so.
Availability:	Subject to the conditions precedent being satisfied or waived, as the case may be, the Loan shall be available for draw down from the date of the Terms and Conditions up to and including the day falling 1 year from the date of the Terms and Conditions (" Availability Period ").
Conditions Precedent:	<p>The availability of the Loan or any part thereof shall be conditional upon the following conditions having been fulfilled (or waived by the party who is not responsible for the fulfilment of the same):</p> <ul style="list-style-type: none"> (a) the execution of the Terms and Conditions and the transactions contemplated thereunder, including the issue of the Conversion Shares pursuant to the Conversion of the Loan by the Lender, being approved by the board of directors of the Borrower and shareholders of the Borrower (if required); (b) the execution of the Terms and Conditions and documents in relation to the Security (as defined below), including the grant of the Loan, the Security (as defined below) and the Conversion, being approved by the board of directors of the Lender and shareholders of the Lender (if required); (c) the due execution of the documents by the SIS Directors (as defined below), as may be required by law, or as may be necessary to implement, give effect and/or perfect the Security (as defined below) in favour of the Lender, and the transactions contemplated thereunder; (d) all other consents and approvals, licenses, permits, exemptions and waivers (including waivers of pre-emption rights) (collectively, the "Approvals") as required under any and all applicable laws or regulations or the constitution of SIS, or shareholders' agreement between

	<p>shareholders' of SIS, or as required under SIS's contracts with any third party (including any bank or other financial institution) to enter into and/or to give effect to the transactions contemplated in the Terms and Conditions and Security (as defined below) being obtained, and if such Approval is obtained subject to any conditions, such conditions being acceptable to the Lender, and if such conditions are required to be fulfilled before each Drawdown (as defined below), such conditions being fulfilled before the date of drawdown and disbursement of the Loan ("Drawdown");</p> <p>(e) the grant of the Loan by the Lender to the Borrower not being prohibited by any relevant law, statute, order, rule, directive or regulation promulgated by any relevant legislative, executive or regulatory body or authority;</p> <p>(f) no material adverse change in SIS's business conditions, operations, prospects, assets, financial or trading position, occurring on or before each Drawdown date;</p> <p>(g) the completion and satisfactory outcome of all financial, business and legal due diligence investigations by the Lender into the financial, contractual, tax, trading positions and prospects of SIS;</p> <p>(h) all representations and warranties made by the Borrower in the Terms and Conditions being true and accurate and remaining true and accurate, if repeated, on each Drawdown date; and</p> <p>(i) as against the Borrower and each of the SIS Directors (as defined below), there having been no bankruptcy petitions, litigation, lawsuit, administrative or insolvency proceedings filed or proposed to be filed (if an individual), winding up proceedings initiated or proposed to be initiated (if a corporate entity) in any jurisdiction.</p> <p>In the event that any of the conditions precedent is not fulfilled (or waived by the relevant party, either in whole or in part) on or before the date of the first Drawdown ("First Drawdown Date"), the Terms and Conditions (other than the provisions entitled "Expenses", "Confidentiality" and "Governing Law and Disputes" (collectively, the "Surviving Provisions")) shall automatically terminate, unless the parties agree otherwise. No party shall have any claim against the other party for costs, damages, compensation or losses, save in respect of any rights and liabilities of the parties which may have accrued before termination or in relation to any of the Surviving Provisions.</p>
Conversion, Repayment and Interest:	<p><u>Conversion:</u></p> <p>(a) JVPL may, in its absolute discretion, at any time, on only one (1) occasion, from the date of last</p>

	<p>Drawdown to the later of (i) 24 months from the date of last Drawdown; or (ii) the completion of the next round of fund raising by SIS which SIS will notify JVPL of such completion (“Conversion Period”) convert all the actual amount of Loan which has been disbursed to SIS by JVPL (“Outstanding Loan Amount”) into CPS (“Conversion Shares”) in accordance with the formula below (“Conversion”):</p> $F = [E/(100-D)] * C$ <p>where:</p> <p>C: percentage of CPS an investor is to receive in respect of its investment amount in SIS, which is to be determined in accordance with the following formula:</p> $C = B/A$ <p>in that “B” represents the total amount of money raised from JVPL and New Investors (as defined below), if any, after JVPL extends the Loan but before Conversion, whereby in the case of JVPL, its investment amount by way of the Outstanding Loan Amount will be subject to a 20% premium (that is, $B = \text{amount raised from New Investors} + (\text{Outstanding Loan Amount}/0.8)$), and “A” represents the aggregate of “B” and the valuation of the business of SIS which is to be conducted when JVPL decides to exercise its right of Conversion (“Valuation”)</p> <p>D: aggregate of the respective value of C for each of JVPL and any subsequent investors who may invest in SIS after JVPL extends the Loan but before Conversion (“New Investors”), if any</p> <p>E: Total number of existing ordinary shares in SIS and CPS</p> <p>F: Number of Conversion Shares to be issued pursuant to the Conversion</p> <p>For illustration purposes, assuming that:</p> <ol style="list-style-type: none"> the Outstanding Loan Amount is S\$400,000, and there is a New Investor which invested S\$4,500,000 into SIS; the value of B will be $[S\\$400,000/0.8] + S\\$4,500,000 = S\\$5,000,000$ assuming that the Valuation values the business of SIS at S\$7,000,000, and since A is the aggregate of B and the Valuation, the value of A will be $S\\$5,000,000 + S\\$7,000,000 = S\\$12,000,000$ as C = B/A, the value of C₁ for JVPL will be $S\\$500,000/S\\$12,000,000 = 4.17$, and the
--	---

	<p>value of C_2 for the New Investor will be $\text{S\\$}4,500,000/\text{S\\$}12,000,000 = 37.5$; accordingly, as $D = C_1 + C_2$, the value of D is $4.17 + 37.5 = 41.67$</p> <p>iv. assuming there are there are no changes in the number of issued shares of SIS from the date of the Terms and Conditions and before Conversion, the value of E will be 422,800</p> <p>v. as $F = [E/(100-D)]*C$, the number of Conversion Shares to be issued to JVPL upon Conversion will be $[422,800/(100-41.67)]*4.17 = 30,226$</p> <p>(b) The Conversion Shares will be issued and credited as fully paid-up, non-assessable and not subject to further calls, and shall rank <i>pari passu</i> in all respects with the existing CPS at that time (save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Conversion Shares), and shall be free from any and all charges, liens, pledges and other Encumbrances (as such term is defined in the Terms and Conditions).</p> <p>(c) JVPL shall exercise its conversion right above by delivery in writing the notice in the form or substantially in the form set out in Schedule 2 of the Terms and Conditions ("Conversion Notice") to SIS seven (7) days before the proposed date of Conversion. Upon receipt of the Conversion Notice, SIS shall be bound to convert the Loan in the manner provided in paragraph (d) below.</p> <p>(d) SIS shall on receipt of the Conversion Notice allot and issue to JVPL the Conversion Shares (credited as fully paid up) to which JVPL is entitled by way of Conversion, and such allotment and issue shall be in satisfaction of the Loan.</p> <p><u>Repayment and Interests</u></p> <p>(e) Unless the Outstanding Loan Amount has been converted during the Conversion Period, SIS shall repay the Outstanding Loan Amount, together with simple interest at a rate of 12% per annum on the Outstanding Loan Amount, calculated from the First Drawdown Date, within 12 months from first day after the Conversion Period ("Repayment Date"). In the event that the Borrower does not repay the Outstanding Loan Amount plus any accrued interests by the Repayment Date, the Lender shall, in its absolute discretion, be entitled to enforce the Security (as defined below).</p>
Security:	Personal guarantees on all amounts, interests, costs, fees, charges, expenses, liabilities and all other monies (present

	<p>and future, actual or contingent) due, owing, incurred or payable or expressed to be due, owing, incurred or payable by the Borrower to the Lender, under, pursuant to or in connection with the Terms and Conditions and the Loan, to be given jointly and severally by Mr. Chow Ngee Ken and Mr. Yong Kai Chin, who are directors of SIS (collectively, the “SIS Directors”) (“Security”).</p> <p>SIS to procure the SIS Directors to perform all further acts and things, and execute and deliver such documents, as may be required by law or as may be necessary to implement, give effect and/or perfect the Security in favour of the Lender, and the transactions contemplated thereunder.</p>
Default:	<p>If at any time and for any reason, any of the following events occurs, such event shall constitute an “Event of Default”:</p> <ul style="list-style-type: none"> (a) SIS defaults in payment of any sum due to JVPL under the Terms and Conditions on its due date; (b) SIS does not perform any of its obligations or any conditions under the Terms and Conditions, and if such breach is in the opinion of JVPL capable of remedy, it is not remedied within 14 days of its occurrence; (c) any representation or warranty by SIS in the Terms and Conditions or in any other document delivered pursuant to the Terms and Conditions is or proves to have been incorrect or incomplete in any respect when made, if it had been made on any later date by reference to the circumstances then existing, would have been incorrect or incomplete in respect on that later date; (d) SIS shall cease to carry on the whole or any part of its business(es); (e) any distress, attachment, execution or other legal process is levied, enforced or instituted against the assets of SIS; (f) the Terms and Conditions or any of SIS's obligations thereunder becomes unenforceable, or any judgment or order is made, the effect of which would be to render the Terms and Conditions or any such obligation thereunder ineffective or invalid; (g) there is a breach of the terms of the Security and every other document from time to time executed to secure the obligations of SIS under the Terms and Conditions (“Security Document”) (other than the Terms and Conditions) or the occurrence of an event of default howsoever described under any Security Document; (h) any present or future security on or over the assets of SIS becomes enforceable and, in the opinion of

	<p>JVPL, such event has or could have a material adverse effect on SIS or its ability to meet its obligations in respect of the Loan or on the rights or benefit of JVPL under any Security Document;</p> <p>(i) SIS shall transfer or otherwise dispose of all or substantially all of its assets to any person, save for transfers for proper and valuable consideration made in good faith and in the ordinary course of business of SIS;</p> <p>(j) it is or will become unlawful for SIS to perform or comply with any of its obligations under the Terms and Conditions;</p> <p>(k) any approval, consent, action, condition or thing required to be obtained, taken, fulfilled or done for the execution, delivery and performance of the Terms and Conditions and to give effect to the transactions contemplated in the Terms and Conditions is not obtained, taken, fulfilled or done or any such approval or consent ceases to be in full force and effect without modification or any condition in or relating to such approval or consent is not complied with, and in the opinion of JVPL, such event has or could have a material adverse effect on SIS or its ability to meet its obligations in respect of the Loan;</p> <p>(l) if there is any change in the management set-up, shareholding structure or shareholders, or the beneficial ownership, of SIS without the prior written consent of JVPL;</p> <p>(m) SIS becomes insolvent, is unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, begins negotiations or takes any proceeding or other step with a view to restructuring, rescheduling or deferring all of its indebtedness (or of any part of its indebtedness which it will or might otherwise be unable to pay when due) or proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors, or a moratorium is agreed or declared in respect of, or affecting, all or a material part of its indebtedness;</p> <p>(n) any step is taken for the appointment of a liquidator, provisional liquidator, receiver, receiver and manager, or judicial manager over all or any part of the assets and undertaking of SIS;</p> <p>(o) any step is taken by any person for the dissolution or winding up of SIS;</p> <p>(p) if in the opinion of JVPL, the security comprised in the Terms and Conditions or any Security Document is in jeopardy and notice of this fact has been given by JVPL to SIS; and/or</p>
--	--

	<p>(q) any event occurs, or circumstance arises which, in the opinion of JVPL, gives reasonable grounds for believing that SIS or any of the SIS Directors may not (or may be unable to) perform or comply with any of its obligations under the Terms and Conditions or any Security Document, as the case may be, or which, in the opinion of JVPL has or could have any other material adverse effect on SIS.</p> <p>At any time after the occurrence of an Event of Default, and whether or not such Event of Default is continuing, JVPL may by notice to SIS, cancel the Loan hereunder and declare the outstanding balance, together with interest accrued thereon, if any, and any other sum payable under the Terms and Conditions and the Loan immediately due and payable, whereupon they shall become so due and payable.</p>
Covenants:	<p>The Borrower undertakes and agrees with the Lender that, so long as any sum remains to be lent or remains payable by the Borrower to the Lender under the Terms and Conditions:</p> <p>(a) Performance: it will duly observe and perform the covenants and obligations in the Terms and Conditions;</p> <p>(b) Ranking: its payment obligations under the Terms and Conditions rank and will at all times rank at least equally and rateably in all respects with all its other unsecured and/or unsubordinated indebtedness except for such indebtedness as would, by virtue only of the law in force in its country of incorporation, be preferred in the event of its winding up;</p> <p>(c) No termination of business: it will not (without the prior consent in writing of the Lender) terminate any of its businesses as now conducted which will substantially and adversely affect its financial condition;</p> <p>(d) Proper conduct of business: it will carry on and conduct its affairs and businesses in proper and efficient manner and will keep all its properties and assets in a good state of repair and condition in accordance with good commercial practice;</p> <p>(e) Disposal of business and assets: it shall not, and shall procure that the Borrower's Group (as such term is defined in the Terms and Conditions) does not dispose of any of its business, undertaking, assets, otherwise than in the ordinary course of business;</p> <p>(f) Assets: all assets (including intellectual property) used or required by the Borrower in connection with its business as currently conducted by it or as proposed to be conducted by it, are in full force and effect and are vested in, legally and beneficially owned by or licensed to Borrower and/or the Borrower's Group (as such term is defined in the Terms and Conditions);</p>

	<p>(g) Material adverse change: it will promptly notify the Lender of any material adverse change in its business conditions, operations, prospects, assets, financial or trading position;</p> <p>(h) Compliance with law: it will at all times comply with any applicable laws, legislation or regulation and any terms or conditions of any authority or approvals in connection with the Terms and Conditions, and the conduct of its business;</p> <p>(i) Winding up: it will notify the Lender of any notice or information received by the Borrower affecting it and to notify the Lender of any notice of any petition filed for the insolvency or winding up of the Borrower or for the appointment of a judicial manager, receiver, trustee or similar officer or any part of the Borrower's Group's (as such term is defined in the Terms and Conditions) assets or undertaking;</p> <p>(j) Litigation: it will notify the Lender of details of any litigation, arbitration, administrative or bankruptcy or insolvency proceedings is current or pending or, so far as it is aware, threatened against the Borrower; and</p> <p>(k) Loans or Credits: it shall obtain the prior written consent of the Lender before it makes any loan or grants any credit (other than in the ordinary course of business), or provide any guarantee or indemnity to secure the indebtedness or liabilities of any third party or company outside the Borrower's Group (as such term is defined in the Terms and Conditions), if any.</p>
--	---