



Jason Marine Group Limited
HY2020
Results Presentation

**FORTIFYING
OUR
BRAND**



Contents



- HY2020 Financials
- Outlook & Strategy

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.



HY2020 Financials

Jason Marine stays profitable amid challenging market conditions



(\$'000)	HY2020	HY2019	Increase / (Decrease) %
Revenue	13,966	10,920	27.9
Gross profit	3,567	3,276	8.9
Other income	1,392	763	82.4
Other expenses	(3)	(1,067)	(99.7)
Write back of/(Allowance for) Impairment loss on financial assets	426	(909)	NM
Profit/(Loss) before income tax	990	(3,198)	NM
Net attributable profit/(loss) to owners of the parent	976	(3,212)	NM

NM: Not Meaningful

- **Revenue:** Revenue increase came from the sale of goods segment of approximately S\$3.2 million and the airtime revenue segment of approximately S\$0.2 million, offset by a decrease in the rendering of services segment of approximately S\$0.3 million.
- **Gross profit:** Increased by approximately S\$0.3 million in line with the higher sales recorded in the financial period. The overall gross profit margin however decreased from 30.0% in HY2019 to 25.5% in HY2020, due to lower percentage of overall sales contributed from higher margin segment, and the absence of progress recognition of one major Singapore-based contract in HY2019.
- **Other income:** Increased by approximately S\$0.6 million due to (i) an increase in fair value gain on derivative financial instruments of approximately S\$0.5 million, mainly arising from the investment in eMarine Global Inc., (ii) an increase in sundry income of approximately S\$0.4 million mainly relating to contract termination payments from a customer and (iii) a write-back of allowance for inventory obsolescence of approximately S\$0.1 million. These were offset by a decrease in foreign exchange gain of approximately S\$0.4 million.
- **Other expenses:** Mainly due to the absence of fair value loss on derivative financial instrument of approximately S\$0.9 million in relation to the fair value of profit guarantee arising from investment in Sense Infosys Pte. Ltd. ("SIS") and the absence of allowance for inventory obsolescence of approximately S\$0.1 million.
- **Write back of/(Allowance for) Impairment loss on financial assets:** Mainly due to the 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 SIS, as compared to an allowance for impairment loss of approximately S\$0.8 million in HY2019.
- Excluding the foreign exchange gains and losses, write back / allowance for impairment of other receivables in SIS as well as fair value changes on derivative financial instruments in relation to the Group's investment in SIS and eMarine, net loss would have been S\$0.2 million for HY2020 as compared to S\$2.0 million for HY2019, representing a decrease of 92.1%.

Still Healthy Balance Sheet



(S\$'000)	As at 30 September 2019	As at 31 March 2019
Non-current assets	2,727	4,742
Current assets:		
- Cash and cash equivalents	11,133	14,165
Total current assets	31,629	31,203
Non-current & current liabilities	9,828	9,487
Equity attributable to owners of the parent	24,451	26,390

- The Group's operations are largely funded by its working capital and cash. There are no bank borrowings
- Shareholders' funds of S\$24.5 million is well-supported by net cash of S\$11.1 million
- The fall in non-current assets of approximately S\$2.0 million includes a decrease in fair value of financial assets at FVOCI ⁽¹⁾ of S\$2.5 million, which was offset by an increase in Right Of Use assets of approximately S\$0.5 million net of depreciation following the adoption of SFRS(I) 16.
 - ✓ The change in fair value of financial assets at FVOCI mainly relates to the Group's equity interest of 6.0% in eMarine Global Inc ("eMarine").⁽²⁾

(1) FVOCI stands for Fair Value Through Other Comprehensive Income.

(2) eMarine's shares are quoted on the OTC Market in the United States of America.

Cash Flow



(S\$'000)	HY2020	HY2019
Net cash used in operating activities	(2,203)	(682)
Net cash used in investing activities	(146)	(126)
Net cash used in financing activities	(708)	(525)
Net changes in cash & cash equivalents	(3,057)	(1,333)
Cash at beginning of financial period	14,165	17,881
Cash at end of financial period	11,133	16,728

- **Net cash used in operating activities** was largely due to net cash used in working capital of S\$2.3 million, which resulted mainly from:
 - ✓ an increase in trade and other receivables of approximately S\$7.0 million, offset by a decrease in contract assets of approximately S\$4.3 million, as well as a decrease in inventory of approximately S\$0.4 million.
- **Net cash used in investing activities** was mainly due to the purchase of plant and equipment of S\$0.1 million.
- **Net cash used in financing activities** was mainly due to payment of dividend of approximately S\$0.5 million and payment of lease liabilities of approximately S\$0.2 million during the current reporting period.



Outlook & Strategy

Continued Challenging Outlook



- Expects market conditions to remain challenging and its financial performance to continue to be affected by uncertainties and developments in the marine and offshore oil & gas industry
- Soft demand for goods and services coupled by intense market competition to continue to exert pressure on margins
- The Group will focus on strengthening and growing its existing business by creating value for customers and leveraging on technology
- The Group will continue to monitor the current US and China trade tensions which may have a potential impact on the business and actively exercise prudence in managing operational costs



Thank You