

JASON MARINE GROUP LIMITED

(Company Registration No.: 200716601W)
(Incorporated in the Republic of Singapore)

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1. **BANKRUPTCY OF E-MARINE CO., LTD. (A SUBSIDIARY OF EMARINE GLOBAL INC.); AND**
 2. **EXERCISE OF OPTION TO DISPOSE OF INVESTMENT IN EMARINE GLOBAL INC.**
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1. **BANKRUPTCY OF E-MARINE CO. LTD (A SUBSIDIARY OF EMARINE GLOCAL INC.)**

The board of directors (the “**Board**”) of Jason Marine Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that eMarine Global Inc. (“**eMarine Global**”) has on 9 October 2020 released an announcement on the OTC Market in the United States of America stating that its subsidiary, e-Marine Co., Ltd (“**eMarine Co**”), was declared bankrupt by the Seoul Bankruptcy Court. eMarine Global and eMarine Co were principally engaged in the provision of information and communications technology for the maritime industry.

The Group, through Jason Venture Pte Ltd (a wholly owned subsidiary of the Company), holds 1,363,953 shares representing approximately 6% of the issued share capital of eMarine Global (the “**eMarine Investment**”). The Group also holds a put option to sell its entire eMarine Investment (the “**Put Option**”) to Mr Ung Gyu Kim (the “**Counterparty**”)¹.

2. **EXERCISE OF PUT OPTION TO DISPOSE OF INVESTMENT IN EMARINE GLOBAL INC.**

2.1 **VALUE OF THE EMARINE INVESTMENT**

Following the aforementioned announcement by eMarine Global, the Group has today exercised the Put Option to sell its entire eMarine Investment (the “**Disposal**”) for KRW759 per share plus interest accrued on the aggregate consideration at a rate of 5.38% per annum for the period from 28 October 2011 to the date of exercise of the Put Option, in accordance with the terms of the Put Option.

The Group’s initial cost of investment in eMarine Global was approximately S\$1.23 million. Based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2020 (“**FY2020**”), the fair value of the eMarine Investment amounted to

¹ The exercise period of the Put Option was from 1 January 2017 to 31 December 2019. On 18 January 2019, the Group entered into an amended and restated agreement and extended the expiration date of the Put Option from 31 December 2019 to 31 December 2022. Please also refer to the Company’s announcements on 9 November 2018, 6 December 2018 and 18 January 2019 for details.

S\$487,000 and the fair value of the Put Option amounted to S\$1,392,000 as at 31 March 2020².

The Group expects to recognise a fair value loss on the eMarine Investment in its consolidated statement of comprehensive income for the current financial year ending 31 March 2021 ("FY2021") based on the market price of eMarine Global on the OTC Market (which has decreased significantly since 31 March 2020). Based on the last traded market price of eMarine Global on the OTC Market of US\$0.05 per share on 9 October 2020, the implied market value of the eMarine Investment would amount to approximately S\$92,000 and such fair value loss would have been approximately S\$395,000.

In the event that the Disposal is successfully completed and to the extent that the Group is able to collect the full amount of the Consideration (as defined hereinafter) from the Counterparty, the Group will recognise an estimated disposal gain of approximately S\$0.3 million in its profit and loss account for FY2021.

2.2 CONSIDERATION FOR THE DISPOSAL

The consideration for the Disposal is KRW 1.53 billion (approximately S\$1.81 million)³ in cash ("**Consideration**"), after taking into consideration the interest accrued from 28 October 2011 to 13 October 2020 (being the date of exercise of the Put Option) at a rate of 5.38% per annum. The Counterparty is legally obliged to make payment for the eMarine Investment within one month of receipt of the notice to exercise the Put Option.

2.3 RATIONALE FOR THE DISPOSAL

The Board has evaluated various options to attempt to recover the Group's investment in eMarine Global. As at the date of this announcement, the exercise of the Put Option appears to be the only feasible course of action. Accordingly, the Board believes that the exercise of the Put Option is in the best interest of the Company.

The Board would like to caution the Company's shareholders that **there is no assurance that the Group will be able to recover any amount of its eMarine Investment from the exercise of the Put Option**. Shareholders should note that the Group had previously exercised the Put Option on 7 November 2018 and subsequently received written responses from the Counterparty which indicated that the Counterparty was then unable to fulfil his obligation to purchase the eMarine Investment. While the Company will use its best endeavours to recover the eMarine Investment, the Counterparty may not be able to perform its financial obligations under the Put Option and the Group may not be successful in the Disposal.

In the event that the Disposal is successfully completed and to the extent that the Group is able to collect the full amount of the Consideration from the Counterparty, the Group intends to utilise such proceeds from the Disposal for working capital and in such event, the Group will record a gain of approximately S\$0.3 million in the profit and loss account for FY2021 arising from such Disposal.

2 The eMarine Investment was accounted for under financial assets, at fair value through other comprehensive income, and the Put Option was accounted for under derivative financial instrument, on the balance sheet. Please also refer to item 2 of the key audit matters in relation to accounting for investment in eMarine Global on pages 32 to 33 and Notes 9 and 14 on pages 67 and 74 of the Company's annual report for FY2020 for details.

3 Exchange rate of KRW 100 = S\$ 0.1182 was used in the above computation of the consideration for the Disposal.

2.4 RELATIVE COMPUTATIONS UNDER RULE 1006

The relative figures for the Disposal, computed in accordance with Rule 1006 (a) to (e) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst (“Catalist Rules”) are as set out below:

Rule	Bases	Note	Relative Percentage
1006(a)	The net asset value of the assets to be disposed of, compared with the Group’s net asset value	(1)	-1.31%
1006(b)	Net profits attributable to the assets acquired or disposed of, compared with the Group’s net profits	(2)	-0.91%
1006(c)	Aggregate value of consideration given or received, compared with the Company’s market capitalization	(3)	12.08%
1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of securities previously in issue	(4)	Not applicable
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group’s proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	(5)	Not applicable

- (1) Based on the Group’s audited consolidated net asset value of S\$25.0 million as at 31 March 2020 and negative S\$0.3 million, being 6% of the audited consolidated net liability value of eMarine Global, as at 31 December 2019.
- (2) Based on the Group’s audited consolidated net profit before income tax and non-controlling interests of S\$2.2 million for FY2020 and negative S\$20,000, being 6% of eMarine Global’s audited consolidated net loss before income tax and non-controlling interests, for the 12-month period ended 31 December 2019.
- (3) Based on the Company’s market capitalisation of approximately S\$15.0 million, determined by multiplying 105,000,000 ordinary shares (excluding treasury shares) by the weighted average price of the shares transacted on 21 September 2020 (being the last market day where there was trading in the shares immediately preceding the exercising of the Put Option) of S\$0.143.
- (4) Not applicable as the transaction is a disposal.
- (5) Not applicable as the transaction does not involve the disposal of mineral, oil and gas assets.
- (6) Exchange rate of KRW 100 = S\$ 0.1182 was used in the above computations of the relative figures.

As the relative figure computed under Rule 1006(c) is above 5%, the Disposal constitutes a discloseable transaction for the purpose of Rule 1010 of the Catalist Rules.

2.5 FINANCIAL EFFECTS OF THE DISPOSAL

The financial effects of the Disposal (assuming that the Disposal is successfully completed and that the Group is able to collect the full amount of the Consideration) are set out below purely for illustrative purposes:

	Note	Before the transaction	After the transaction
Net tangible assets ("NTA") per share as at 31 March 2020 (cents)	(1)	23.82	23.70 ⁽³⁾
Earnings per share ("EPS") for FY2020 (cents)	(2)	2.09	-0.94 ⁽⁴⁾

- (1) The impact on the NTA per share as illustrated in the table above assumes that the Disposal had been completed on 31 March 2020 and is computed based on (i) the audited consolidated balance sheet of the Group as at 31 March 2020; (ii) the consideration amount of S\$1.75 million taking into account interest accrued up to 31 March 2020; and (iii) the fair value of the Put Option of S\$1.392 million and the fair value of the eMarine Investment of S\$0.487 million as at 31 March 2020.
- (2) The impact on EPS as illustrated in the table above assumes that the Disposal had been completed on 1 April 2019 and is computed based on (i) the audited consolidated profit and loss statement of the Group for FY2020; (ii) the consideration amount of S\$1.725 million taking into account interest accrued up to 1 April 2019; and (iii) the fair value of the Put Option of S\$0.249 million and the fair value of the eMarine Investment of S\$3.514 million as at 1 April 2019.
- (3) Exchange rate of KRW 100 = S\$ 0.1163 was used in the computation of the Group's NTA per share as at 31 March 2020 in taking into account the financial effects of the Disposal.
- (4) Exchange rate of KRW 100 = S\$ 0.1191 was used in the computation of the Group's EPS for the financial year ended 31 March 2020 in taking into account the financial effects of the Disposal.

2.6 INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDER

None of the directors of the Company ("**Directors**") and/or the controlling shareholder of the Company has any interests, direct or indirect, in the Disposal, save for their interests by virtue of their shareholdings and/or directorships, as the case may be, in the Company and the Group. There will be no Director appointed to the Company in connection with the Disposal.

2.7 DOCUMENTS FOR INSPECTION

Shareholders should note that a copy of (i) the notice to exercise the Put Option dated 13 October 2020 and (ii) the agreement in relation to the Put Option dated 18 January 2019 is available for inspection during normal business hours at the Company's registered office at 194 Pandan Loop, #06-05 Pantech Business Hub, Singapore 128383, for three (3) months from the date hereof.

By Order of the Board

Foo Chew Tuck
Executive Chairman and CEO

13 October 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 Catalyst. 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.*