

**Jasper Investments
Limited (the “Company”)**

Company’s Responses to Queries Raised by the Securities Investors Association (Singapore) in respect of the Annual Report 2022 published by the Company on 29 September 2023.

Q1. The company has not generated any revenue from operations since the financial year ended 31 March 2019.

There has been a series of changes to the board and senior management team during this timeframe. (see <https://www.sgx.com/securities/company-announcements?value=JASPER%20INVESTMENTS%20LIMITED&type=company&pagesize=50&ANNC=ANNC03%2CANN04&page=1>)

The letter to shareholders in the 2022 annual report was authored by Mr. Bambang Sugeng bin Kajairi, who served as the executive chairman for 14 months until he relinquished his position on 20 September 2023. He was subsequently replaced by Mr. Dennis Goh Hao Kwang on an interim basis.

On the same date, the company announced that it had entered into a strategic collaboration framework agreement with Berlitz Marine Pte. Ltd. (“Berlitz”) for the expansion and growth of the company’s core business in the Marine & Offshore industry involving the acquisition, operation and management of Offshore Support Vessels for deployment in the South East Asia and Gulf Cooperation Council regions as well as in respect of other Marine & Offshore related services and supplies.

- (i) **Can the company provide shareholders with more information on how it was introduced to Berlitz?**

Response:

The Board has considered a number of different potential opportunities for the growth of its business and various different terms and conditions were proposed by the different parties following such discussions. Berlitz is a business contact of Mr Bambang Sugeng bin Kajairi and was first introduced to the Management of the Company to look into the feasibility of working together. The Board concluded that Berlitz, is most suitable as a longer-term partner in the Offshore & Marine sector in which the Group has been in and wishes to continue growing and expanding in this sector as its core business. Following extensive discussions with the key representatives of Berlitz and having understood the expertise and track record of Berlitz in the Offshore & Marine sector, the Management recommended to the Board for consideration a strategic collaboration with Berlitz involving between five and eight vessels that have been or would be deployed in the South East Asia region and/or the Gulf Cooperation Council region.

- (ii) **What due diligence has the board undertaken, and what were the discussions and considerations made before entering into the strategic collaboration framework agreement with Berlitz?**

Response:

The Management of the Company has had several meetings with the key representatives of Berlitz to fully understand the history, track record, experience and expertise of Berlitz and the management of Berlitz as well as the existing deployment of the vessels owned or operated by Berlitz that are proposed to be managed and operated under the Company. Whilst the due diligence on the vessels are on-going and will continue prior to the deployment, management and operation of such vessels under the Company, the Board reached an understanding with Berlitz to enter into the Strategic Collaboration Framework Agreement that was announced by

the Company on 20 September 2023 to commence works in respect of one or more vessels whilst awaiting for the legal process to be completed for the acquisitions of the ownership or right to operate the vessels. The Management of the Company has also undertaken due diligence review of the general reputation and standing of the Berlitz group based on publicly available information as well as through contacts of the members of the Board and Management of the Company.

- (iii) **Would this agreement, especially with the vessel acquisition option of up to eight offshore support vessels (or more), lead to a reverse takeover of the company by Berlitz?**

Response:

The final transactional arrangements are under discussion and there is no current intention to effect a reverse takeover of the Company.

In addition, the company has announced the appointment of Ms Perlin Chan Aik Ju as chief executive officer with effect from 17 October 2023. Ms Perlin Chan Aik Ju and her family are owners of Berlitz and its group of companies.

- (iv) **Has the board, especially the nominating committee, evaluated the potential risks associated with the incoming CEO being placed in a conflict of interest due to her role in representing the company during its strategic collaboration with Berlitz, an entity owned by her and her family? What safeguards have been implemented to protect the interests of the company and its shareholders? Could the effectiveness of the incoming CEO be compromised under these circumstances?**

Response:

The Nominating Committee and the Board are always looking for the most candidate to lead the Group towards an expansion and growth strategy that would be in the best interest of the Group and that of the Shareholders of the Company as a whole. In this regard, the CEO-designate possesses the right qualifications, business knowledge and Offshore & Marine sector expertise to lead the Group in its management and operations of Offshore & Marine-related activities as a core business.

The Board is fully cognizant of the need to address any conflicts or potential conflicts of interests that may arise and is confident that appropriate and adequate measures can be put in place to eliminate/mitigate such conflicts and potential conflicts given: (i) the nature of the strategic collaboration that the Company and Bertliz are entering and the alignment of interest; and (ii) the operations involved in connection with the business activities undertaken by the Group including the fact that vessels are deployed on medium to long-term charterparties and operated independently of one another. In this regard, and as announced by the Company, the Management of the Company is looking into setting up necessary internal controls and measures to address any such conflicts or potential conflicts of interests. The Company will also set up a Risk and Conflicts Review Committee comprising members of the Board and the Management that are independent of the CEO-designate and her connected parties.

Q2. In his letter to shareholders, the former chairman stated that it is the board's intention to grow an investment arm alongside the core maritime logistics and transportation businesses.

A few potential investment targets have been identified, including:

- a fintech with revenues of more than US\$50 million
- a construction technology company with an existing trial project in Southeast Asia
- a technology service provider with stable income and profits since 1990s

- (i) **Can the board confirm whether the company continues to pursue the strategy of setting up an investment arm, even in the wake of Mr. Bambang Sugeng bin Kajairi stepping down as chairman?**

Response:

The Board would like to clarify that the pursuit of a strategy to set up an investment arm to look into other businesses that present potentials for high value growth and returns is independent of Mr. Bambang Sugeng bin Kajairi's position as Chairman. The Board would like to further note as follows:

- (i) the pursuit of the strategy of setting up an investment arm is an objective considered and adopted collectively by the Board; and
 - (ii) the present core business of the Group remain to be in the Offshore & Marine industry sector and any activities and corporate actions taken to pursue the investment arm strategy would at this juncture be secondary business activities of the Group. In any event, any significant investment and expansion of the Group's business activities outside the current core business would be conditional upon obtaining the approval of the Shareholders as required under the applicable SGX-ST listing rules.
- (ii) **How does the board envision funding any potential new investments, considering that both the company and the group have net liability positions of \$(2.7) million as of 30 June 2023?**

Response:

Please refer to the Company's announcements made on 12 October 2023 in response to queries on the 1Q2024 financial results announcement and the FY2022 audited financial statements which contain relevant information on the Group's funding availability and how the outstanding liabilities are to be settled or dealt with (including capitalizing a significant portion of such liabilities due to the Directors to strengthen the balance sheet of the Company and to more effectively manage the Group's cashflow requirements). The strategic collaboration with Berlitz would also involve earnings accretive, cashflow positive operations of vessels on the basis of the corporate actions involving the acquisitions of the vessels or of management interests in respect of such vessels are proceeded with. The Board is cautiously optimistic that it would also be able to raise additional funding for any investments or acquisitions if feasibility studies, financial assessment and due diligence undertaken on the potential targets produce positive outcome and results. To the extent appropriate and not prejudicial to the interests of the Company and the Shareholders as a whole, the investments may also be paid for in the form of shares or other equity interests in the Company. Suffice to say that the potential investment targets and any investments concerning such targets are at exploratory and preliminary stage.

- (iii) **Could the board provide additional details regarding the deal sourcing framework, including the geographical emphasis, industry/sector preferences, and deal size criteria?**

Response:

At this moment, discussions on various alternative options are very much at exploratory and preliminary stage only. Suffice to say that any investment has to be earnings accretive in the longer term or has potential for significant growth in value, and has to be subject to completion of feasibility studies and due diligence. The Company will provide Shareholders with updates whenever there is any material development in respect of any potential investment target.

- (iv) **What is the company's competitive advantage when it comes to investing/investments, particularly when it appears that the board has cast a wide net across various industries, including fintech, construction, and technology, in its attempt to identify potential targets?**

Response:

The Board comprise members who are familiar with the industries that have been identified and are themselves astute investors and professionals. Apart from the aforesaid, the Board will ensure that relevant support from professionals in the related industries will be in place to assist the Group with the investments and monitoring of any such investments. Persons with relevant expertise and knowledge in the relevant industries will also be brought on board the Management of the Company as and when appropriate.

- (v) **What is the board's track record in investments?**

Response:

Please see response to Q2.(iv) above.

Q3. The company's independent auditor has issued a disclaimer of opinion in their independent auditor's report dated 28 September 2023 in relation to the consolidated financial statements of the group and the company for the financial year ended 31 March 2022.

The bases for disclaimer of opinion include:

- going concern
- recoverable amount of right-of-use assets
- convertible loan note

The auditor also noted that management:

- did not determine value-in-use nor fair value less costs of disposal of right-of-use asset as at 31 March 2022 and
- did not assess the classification of the convertible loan note and the carrying amount of the components (a liability component with an equity component or a liability component with a derivative liability component) (required under SFRS(I) 1-32 Financial Instruments: Presentation and SFRS(I) 9 Financial Instruments).

It appears that the company is unable to obtain an unqualified audit opinion even though the scale of the group has significantly reduced, as evidenced by the group not generating revenue from operations since the financial year ended 31 March 2019.

- (i) **Can the directors in the audit committee (AC) help shareholders better understand the (individual and collective) roles played by each AC member (and especially the AC chairman) in the preparation and audit of the financial statements?**

Response:

The AC provided guidance to the Management and ensured the audit is carried out as efficiently as possible under the circumstances where the Company unfortunately experienced Management changes during the FY2022 audit cycle. The AC (especially the AC chairman) had made itself available to the Management to discuss matters arising in the course of the audit, particularly the review of the draft audited financial statements signed off by the Auditors and the factors highlighted in the disclaimer of opinion.

- (ii) **What are the challenges faced by management in determining the recoverable amount of right-of-use assets and assessing the classification of the convertible loan note?**

Response:

The Company would like to clarify that there had not been any challenges faced by the Management in determining the recoverable amount of right-of-use assets and assessing the classification of the convertible loan note. The Management had considered and taken the following approach:

- (a) In respect of the determination of the recoverable amount of right-of-use assets:

- (i) This is in respect of the rentals required to be paid for the remaining lease of the office premises occupied by the Company (i.e., from 1 April 2022 till the end of the lease period in February 2023) and the need to assess if the Company would be able to pay for such rentals and if impairment should be made for the financial statements for FY2022.
- (ii) As the audit for the financial statements for FY2022 was past the event (i.e., it was already ascertainable at the time of audit that no impairment was necessary given that the rentals were fully paid for), the Management took the view that an assessment was therefore not necessary for the purposes of the audit. The Management further note the fact that it was already established that no rentals were owing in respect of the lease of the office premises at the time of the audit. The Management also noted that even if an impairment were to be made, it was in respect of an amount that was not material (approximately, S\$24,000).
- (iii) The Management should have communicated and made its position clear to the Auditors.

- (b) With regard to the requirement to assess the classification of the convertible loan note:

- (i) At the time of the audit, the conversion period in respect of the convertible loan note had lapsed and no longer exercisable. The holder of the convertible loan note had also indicated that it was not interested in converting the principal and/or interest accrued thereon into shares of the Company and would require the repayment of the principal and the interest accrued thereon in cash.
- (ii) Accordingly and at the time of the audit, the Management had already reclassified the convertible loan note as no more than a straight loan and outstanding debt of the Company; hence, the Management took the view that assessment of the classification of the convertible loan note and the amount that ought to be carried into equity of the Company was no longer relevant. The

Management further noted that even if the assessment were to be carried out, the number of shares (amount of equity) convertible from the convertible loan note was not material in the context of the total number of shares in issue.

- (iii) The Management should have communicated and made its position clear to the Auditors.

- (iii) **Did the AC consider if the financial statements have been prepared in accordance with the provisions of the Companies Act, Chapter 50 and Singapore Financial Reporting Standards?**

Response:

Yes, the Company prepared the financial statements in accordance with the provisions of the Companies Act 1967, Singapore, and the Singapore Financial Reporting Standards.

- (iv) **Lastly, as the auditors have not been able to obtain sufficient audit evidence to satisfy themselves as to the appropriateness of the use of the going concern assumption, can the board offer shareholders a comprehensive overview of the company's restructuring and recapitalisation plans? What safeguards has the board put in place to ensure that existing shareholders are not unduly diluted?**

Response:

Please refer to the Company's announcements made on 12 October 2023 in response to queries on the 1Q2024 financial results announcement and the FY2022 audited financial statements which contain relevant information on the Group's funding availability and how the outstanding liabilities are to be settled or dealt with (including capitalizing a significant portion of such liabilities due to the Directors to strengthen the balance sheet of the Company and to more effectively manage the Group's cashflow requirements).