



JASON MARINE GROUP LIMITED

(Company Registration No. 200716601W)

(Incorporated in the Republic of Singapore)

UNAUDITED HALF-YEAR FINANCIAL STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2010

Jason Marine Group Limited (the "Company") was listed on the Catalist board ("Catalist") of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 21 October 2009. The initial public offering of the Company was sponsored by CIMB Bank Berhad, Singapore Branch (the "Sponsor").

This announcement has been prepared by the Company and its content have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

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 Mr Benjamin Choy, Senior Vice President, Corporate Finance, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone (65) 6337 5115.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR AND FULL-YEAR RESULTS

- 1(a)(i) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial period.**

Background

The Company was incorporated in the Republic of Singapore on 9 September 2007 under the Companies Act (Chapter 50) of Singapore as a private limited company. The Company and its subsidiaries (the "Group") was formed pursuant to a restructuring exercise ("Restructuring Exercise") undertaken to streamline and rationalise the corporate structure and shareholding structure of the Group prior to the Company's listing on Catalist. The Restructuring Exercise was completed on 18 September 2009. Please refer to the Company's offer document dated 12 October 2009 ("Offer Document") for further details on the Restructuring Exercise.

For the purpose of this announcement, the results of the Group has been prepared on the assumption that the Group has been in existence since 31 March 2009.



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- 1(a)(i) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial period.

CONSOLIDATED INCOME STATEMENT

	Group		
	Six months ended		
	30.09.10	30.09.09	Increase /
	S\$'000	S\$'000	(Decrease)
			%
Revenue	22,987	29,445	(21.9)
Cost of sales	(17,655)	(21,884)	(19.3)
Gross profit	5,332	7,561	(29.5)
Other income	187	290	(35.5)
Distribution costs	(1,962)	(2,055)	(4.5)
General and administrative expenses	(2,530)	(2,221)	13.9
Other expenses	(256)	(533)	(52.0)
Finance costs	(6)	(49)	(87.8)
Share of results of associates	(15)	7	NM
Profit before income tax	750	3,000	(75.0)
Income tax expense	(249)	(546)	(54.4)
Profit for the financial period	501	2,454	(79.6)
Attributable to:			
Owners of the parent	516	2,454	
Non-controlling interests	(15)	-	
Profit for the financial period	501	2,454	

- 1(a)(ii) Statement of comprehensive income for the six months ended 30 September 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		
	Six months ended		
	30.09.10	30.09.09	Increase /
	S\$'000	S\$'000	(Decrease)
			%
Profit for the financial period	501	2,454	(79.6)
Other comprehensive income, net of tax			
Foreign currency translation relating to foreign operations	(20)	(46)	(56.5)
Total comprehensive income for the financial period	481	2,408	(80.0)
Attributable to:			
Owners of the parent	496	2,408	
Non-controlling interests	(15)	-	
Total comprehensive income for the financial period	481	2,408	

NM: Not Meaningful

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1(a)(iii) Notes to consolidated income statement

Profit before income tax is arrived at after (charging) / crediting:

	Group		Increase / (Decrease) %
	Six months ended 30.09.10 S\$'000	30.09.09 S\$'000	
Allowance for doubtful third parties trade receivables	-	(65)	NM
Depreciation of plant and equipment	(110)	(115)	(4.3)
Net foreign exchange loss	(256)	(468)	(45.3)
Interest on borrowings	(6)	(49)	(87.8)
Loss on disposal of plant and equipment	-	(1)	NM
Interest income	17	19	(10.5)
Grants	65	223	(70.9)
Sundry income	57	12	375.0
Write-back of allowance for doubtful trade receivables no longer required	29	36	(19.4)
Write-off of goodwill	-	(33)	NM

NM: Not Meaningful



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1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	As at 30.09.10 S\$'000	As at 31.03.10 S\$'000	As at 30.09.10 S\$'000	As at 31.03.10 S\$'000
Non-current assets				
Plant and equipment	616	504	-	-
Investments in subsidiaries	-	-	15,000	15,000
Investments in associates	152	110	-	-
Available-for-sale financial assets	1,058	1,058	-	-
Other receivables	168	184	-	-
	<u>1,994</u>	<u>1,856</u>	<u>15,000</u>	<u>15,000</u>
Current assets				
Inventories	5,395	7,011	-	-
Trade and other receivables	15,976	10,906	26	35
Cash and cash equivalents	10,443	13,504	5,271	2,525
	<u>31,814</u>	<u>31,421</u>	<u>5,297</u>	<u>2,560</u>
Less:				
Current liabilities				
Trade and other payables	10,017	9,715	834	829
Finance lease payables	52	73	-	-
Current income tax payable	1,038	1,248	-	-
	<u>11,107</u>	<u>11,036</u>	<u>834</u>	<u>829</u>
Net current assets	20,707	20,385	4,463	1,731
Less:				
Non-current liabilities				
Finance lease payables	-	16	-	-
Deferred tax liabilities	40	58	-	-
	<u>40</u>	<u>74</u>	<u>-</u>	<u>-</u>
	<u>22,661</u>	<u>22,167</u>	<u>19,463</u>	<u>16,731</u>
Capital and reserves				
Share capital	17,967	17,967	17,967	17,967
Foreign currency translation reserve	34	54	-	-
Accumulated profits / (losses)	4,662	4,146	1,496	(1,236)
Equity attributable to owners of the parent	<u>22,663</u>	<u>22,167</u>	<u>19,463</u>	<u>16,731</u>
Non-controlling interests	(2)	-	-	-
Total equity	<u>22,661</u>	<u>22,167</u>	<u>19,463</u>	<u>16,731</u>

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1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30.09.10		As at 31.03.10	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
52	-	73	-

Amount repayable after one year

As at 30.09.10		As at 31.03.10	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	16	-

Details of any collateral

As at 30 September 2010, our total secured borrowings consists of finance lease payables of approximately S\$52,000, comprising the current portion of finance lease payables. Obligations under finance leases are secured by the lessors' title to the leased assets, which will revert to the lessors in the event of default by us.



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- 1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	Six months ended	
	30.09.10	30.09.09
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before income tax	750	3,000
Adjustments for:		
Allowance for doubtful third parties trade receivables	-	65
Depreciation of plant and equipment	110	115
Interest expenses	6	49
Interest income	(17)	(19)
Dividend income	(18)	-
Write-off of goodwill	-	33
Write-back of allowance for doubtful trade receivables no longer required	(29)	(36)
Loss on disposal of plant and equipment	-	1
Share of results of associates	15	(7)
Operating cash flows before working capital changes	817	3,201
Working capital changes:		
Inventories	1,616	3,596
Trade and other receivables	(5,025)	2,817
Trade and other payables	302	(3,412)
Trust receipts	-	(2,346)
Cash (absorbed by) / generated from operations	(2,290)	3,856
Income tax paid	(477)	(636)
Net cash (used in) / generated from operating activities	(2,767)	3,220
Cash flows from investing activities		
Purchase of plant and equipment	(222)	(72)
Acquisition of additional shares in an associate	(75)	-
Proceeds from disposal of an associate	18	-
Dividend income	18	-
Interest received	17	19
Net cash used in investing activities	(244)	(53)
Cash flows from financing activities		
Repayments of obligations under finance leases	(37)	(35)
Reversal of fixed deposits	14	17
Interest paid	(6)	(49)
Issue of shares to non-controlling interests	13	-
Net cash used in financing activities	(16)	(67)
Net change in cash and cash equivalents	(3,027)	3,100
Cash and cash equivalents at beginning of financial period	12,732	7,417
Foreign currency translation	(20)	(46)
Cash and cash equivalents at end of financial period	9,685	10,471
Cash and cash equivalents comprise of the following:		
Fixed deposits	6,821	6,336
Cash and bank balances	3,622	4,910
Cash and cash equivalents on statement of financial position	10,443	11,246
Less: Fixed deposit pledged	(758)	(775)
Cash and cash equivalents as per consolidated statement of cash flows	9,685	10,471



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- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENTS OF CHANGES IN EQUITY

Group	Share capital S\$'000	Foreign currency translation reserve S\$'000	Accumulated profits / (losses) S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance at 1 April 2010	17,967	54	4,146	22,167	-	22,167
Incorporation of a subsidiary	-	-	-	-	13	13
Total comprehensive income for the financial period	-	(20)	516	496	(15)	481
Balance at 30 September 2010	17,967	34	4,662	22,663	(2)	22,661
Balance at 1 April 2009	1,040	(2)	13,817	14,855	-	14,855
Share swap pursuant to the Restructuring Exercise	(1,040)	-	-	(1,040)	-	(1,040)
New shares issued pursuant to the Restructuring Exercise	15,000	-	-	15,000	-	15,000
Merger reserve account pursuant to the Restructuring Exercise	-	-	(13,927)	(13,927)	-	(13,927)
Total comprehensive income for the financial period	-	(46)	2,454	2,408	-	2,408
Balance at 30 September 2009	15,000	(48)	2,344	17,296	-	17,296
Company						
Balance at 1 April 2010	17,967	-	(1,236)	16,731	-	16,731
Total comprehensive income for the financial period	-	-	2,732	2,732	-	2,732
Balance at 30 September 2010	17,967	-	1,496	19,463	-	19,463
Balance at 1 April 2009	- *	-	(19)	(19)	-	(19)
New shares issued pursuant to the Restructuring Exercise	15,000	-	-	15,000	-	15,000
Total comprehensive loss for the financial period	-	-	(213)	(213)	-	(213)
Balance at 30 September 2009	15,000	-	(232)	14,768	-	14,768

* Denotes share capital comprising of two Singapore Dollars

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- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There are no changes in the issued and paid-up capital of the Company during the financial period.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year.**

	As at 30.09.10	As at 31.03.10
Total number of issued shares excluding treasury shares	106,000,000	106,000,000

The Company has no treasury shares outstanding as at 30 September 2010 and 31 March 2010.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reporting on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared to its audited financial statements for the financial year ended 31 March 2010.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

In the current reporting period, the Group has adopted all of the new or revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are relevant to its operations and are effective for first-time adoption during the current reporting period. The adoption of these new and revised FRS and INT FRS has no material effect on the amounts reported for the current or prior reporting periods.

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6. **Earnings per ordinary share of the group for the current financial year reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

EARNINGS PER SHARE ("EPS")

	Group	
	Six months ended	
	30.09.10	30.09.09
Profit after income tax attributable to owners of the parent (\$'000)	516	2,454
Number of ordinary shares outstanding for computation of EPS ('000)	106,000	106,000 ⁽¹⁾
Earnings per ordinary share (cents) (Basic and diluted)	0.49	2.32

Note:

(1) For comparative purpose, basic and diluted EPS have been computed based on the post-IPO share capital of 106,000,000 ordinary shares.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the: -**

- (a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

NET ASSET VALUE ("NAV")

	Group		Company	
	As at 30.09.10	As at 31.03.10	As at 30.09.10	As at 31.03.10
NAV per ordinary share (cents)	21.38	20.91	18.36	15.78
Number of ordinary shares used in computation of NAV per ordinary share ('000)	106,000	106,000	106,000	106,000

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -**

(a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

(b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

REVIEW OF INCOME STATEMENT OF THE GROUP**Six months ended 30 September 2010 ("HY2011") vs six months ended 30 September 2009 ("HY2010")**

The Group's revenue decreased by approximately S\$6.4 million or 21.9% from approximately S\$29.4 million in HY2010 to approximately S\$23.0 million in HY2011. The decrease is mainly due to decrease in revenue from the sale of goods segment. During the financial period, lesser projects were undertaken and delivered as the demand for new vessels softened following the global economic downturn.

The Group's gross profit decreased by approximately S\$2.3 million or 29.5% from approximately S\$7.6 million in HY2010 to approximately S\$5.3 million in HY2011 in line with the decrease in revenue. Gross profit margin decreased from 25.7% in HY2010 to 23.2% in HY2011, reflecting the competitiveness of the market during the financial period.



REVIEW OF INCOME STATEMENT OF THE GROUP (continued)

Other income decreased by approximately S\$103,000 from approximately S\$290,000 in HY2010 to approximately S\$187,000 in HY2011. This was due mainly to lesser amount of jobs credit received under the Jobs Credit Scheme in HY2011 as stepped-down rates applied and the payment ceased after June 2010.

The Group's distribution costs decreased by approximately S\$93,000 or 4.5% from approximately S\$2.1 million in HY2010 to approximately S\$2.0 million in HY2011.

The Group's general and administrative expenses for HY2011 increased by approximately \$0.3 million or 13.9% from approximately S\$2.2 million in HY2010 to approximately S\$2.5 million in HY2011. This was due mainly to increase in legal and professional charges and rental expense of approximately S\$0.2 million and approximately S\$0.1 million respectively. Rental expenses increased as the Group expanded its facilities for growth.

Other expenses recorded in HY2011 of approximately S\$256,000 was foreign exchange loss incurred during the financial period.

Finance costs decreased by approximately S\$43,000 from approximately S\$49,000 in HY2010 to approximately S\$6,000 in HY2011 due mainly to lower level of borrowings.

As a result of the foregoing, profit for the period decreased by approximately S\$2.0 million or 79.6% from approximately S\$2.5 million in HY2010 to approximately S\$0.5 million in HY2011.

REVIEW OF FINANCIAL POSITION OF THE GROUP

Total current assets increased by approximately S\$0.4 million, from approximately S\$31.4 million as at 31 March 2010 to approximately S\$31.8 million as at 30 September 2010. This is due to increase in trade and other receivables of approximately S\$5.1 million, offset by the decrease in inventories of approximately S\$1.6 million and cash and cash equivalents of approximately S\$3.1 million.

Total current liabilities increased slightly by approximately S\$0.1 million, from approximately S\$11.0 million as at 31 March 2010 to approximately S\$11.1 million as at 30 September 2010. This is due mainly to increase in trade and other payables of approximately S\$0.3 million, which is offset by the decrease in current income tax payable of approximately S\$0.2 million.

As at 31 March 2010, our capital and reserves amounted to approximately S\$22.7 million. Share capital was approximately S\$18.0 million and accumulated profits was approximately S\$4.7 million.

REVIEW OF STATEMENT OF CASH FLOW OF THE GROUP

In HY2011, we generated net cash from operating activities before working capital changes of approximately S\$0.8 million. Net cash used in working capital amounted to approximately S\$3.1 million which was mainly due to increase in trade and other receivables of S\$5.0 million, which is offset by decrease in inventories of approximately S\$1.6 million and increase in trade and other payables of approximately S\$0.3 million. After payment of income tax of approximately S\$0.5 million, the net cash used in operating activities amounted to approximately S\$2.8 million for HY2011 as compared to net cash generated from operating activities of approximately S\$3.2 million for HY2010.

Net cash used in investing activities in HY2011 was approximately S\$0.2 million compared to approximately S\$0.1 million in HY2010. The net cash used in investing activities in HY2011 was due mainly to the purchase of plant and equipment and acquisition of additional shares in an associate company during the financial period.

Net cash used in financing activities in HY2011 was approximately S\$16,000 compared to approximately S\$67,000 in HY2010. The net cash used in financing activities in HY2011 was due mainly to the repayment of obligations under finance leases, offset by issue of shares to non-controlling interests on incorporation of subsidiary during the financial period.

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9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

There are signs of a recovery in the marine and offshore sectors but this is expected to have a lagged impact on the Group because of the nature of our business. Normally, there is a time lag from contract to project execution because the equipment and services we supply are normally fitted to the vessel at the final stage of a new-built project.

The first half of the financial year had been a challenging period and we expect the conditions to remain in the second half of the year. The Group expects that revenue for the second half may not be higher than that of the first half. However, the Group remains positive over the long term prospects of the marine electronics supply, maintenance and support services sector.

11. **Dividend**

- (a) **Any dividend declared for the current financial period reported on?**

None.

- (b) **Corresponding Period of the Immediately Preceding Financial Year**

None.

- (c) **Date payable**

Not applicable.

- (d) **Books closure date**

Not applicable.

12. **If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared or recommended.

13. **Interested Person Transactions**

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000	S\$'000
Foo Chew Tuck		
Lease of office premises from:		
(i) JE Holdings Pte Ltd	90	
(ii) Unity Consultancy Pte Ltd	6	
(iii) Jason Harvest Pte Ltd	22	
Total:	118	
		Not applicable

In addition to the above, Mr. Foo Chew Tuck, Mr. Tan Lian Huat and Mr. Foo Chew Yin (sibling of Mr. Foo Chew Tuck) had provided guarantees and/or indemnities to secure our Group's obligations under certain credit facilities, details of which are set out in pages 120 and 121 of the Offer Document. No fee was paid to the guarantors for the provision of the above guarantees.



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14. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual of the SGX-ST

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements for the six-month period ended 30 September 2010 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Foo Chew Tuck
Executive Chairman
10 November 2010