

**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 2011

This announcement has been prepared by the Company and its content have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), this being the SGX-ST Listing Manual Section B: Rules of Catalyst. 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 Mr Benjamin Choy, Director, Corporate Finance. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone (65) 6337 5115.

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT

	Group		
	Six months ended		
	30.09.11	30.09.10	Increase /
	S\$'000	S\$'000	(Decrease)
			%
Revenue	25,570	22,987	11.2
Cost of sales	(17,699)	(17,655)	0.2
Gross profit	7,871	5,332	47.6
<i>Other items of income</i>			
Other income	108	170	(36.5)
Interest income	24	17	41.2
<i>Other items of expense</i>			
Distribution costs	(2,973)	(1,962)	51.5
General and administrative expenses	(3,226)	(2,530)	27.5
Other expenses	(39)	(256)	(84.8)
Finance costs	(27)	(6)	NM
Share of results of associates, net of tax	17	(15)	NM
Profit before income tax	1,755	750	134.0
Income tax expense	(406)	(249)	63.1
Profit for the financial period	1,349	501	169.3
Profit attributable to:			
Owners of the parent	1,384	516	
Non-controlling interests	(35)	(15)	
Profit for the financial period	1,349	501	

NM: Not Meaningful



1(a)(ii) Statement of comprehensive income for the six months ended 30 September 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		
	Six months ended		
	30.09.11	30.09.10	Increase /
	S\$'000	S\$'000	(Decrease)
			%
Profit for the financial period	1,349	501	169.3
Other comprehensive income :			
Foreign currency difference on translation of foreign operations	(15)	(20)	(25.0)
Income tax relating to components of other comprehensive income	-	-	NM
Other comprehensive income for the financial period, net of tax	(15)	(20)	(25.0)
Total comprehensive income for the financial period, net of tax	1,334	481	177.3
Total comprehensive income attributable to:			
Owners of the parent	1,371	496	
Non-controlling interests	(37)	(15)	
	1,334	481	

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

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

	Group		
	Six months ended		
	30.09.11	30.09.10	Increase /
	S\$'000	S\$'000	(Decrease)
			%
Amortisation of intangible asset	(92)	-	NM
Depreciation of plant and equipment	(133)	(110)	20.9
Foreign exchange loss, net	(37)	(256)	(85.5)
Interest expense on trust receipts and finance lease	(27)	(4)	NM
Interest income	24	17	41.2
Dividend income	10	18	(44.4)
Grants			
- capability development scheme	33	-	NM
- jobs credit scheme	-	29	NM
- others	25	36	(30.6)
Sundry income	1	57	(98.2)
Write-back of allowance for doubtful third parties trade receivables no longer required	40	29	37.9

NM: Not Meaningful



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- 1(b)(i) A statement of financial position (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 30.09.11 S\$'000	As at 31.03.11 S\$'000	As at 30.09.11 S\$'000	As at 31.03.11 S\$'000
Non-current assets				
Intangible asset	382	474	-	-
Plant and equipment	747	699	-	-
Investments in subsidiaries	-	-	15,000	15,000
Investments in associates	148	132	-	-
Available-for-sale financial assets	1,642	1,227	-	-
Other receivables	139	153	-	-
	<u>3,058</u>	<u>2,685</u>	<u>15,000</u>	<u>15,000</u>
Current assets				
Inventories	6,430	7,262	-	-
Trade and other receivables	17,991	19,390	742	238
Prepayments	343	328	13	20
Derivative financial instruments	-	7	-	-
Cash and cash equivalents	10,131	9,401	3,269	4,226
	<u>34,895</u>	<u>36,388</u>	<u>4,024</u>	<u>4,484</u>
Less:				
Current liabilities				
Trade and other payables	12,123	12,918	120	206
Finance lease payables	10	25	-	-
Derivative financial instruments	348	-	-	-
Bank borrowings	-	2,218	-	-
Current income tax payable	740	403	-	-
	<u>13,221</u>	<u>15,564</u>	<u>120</u>	<u>206</u>
Net current assets	<u>21,674</u>	<u>20,824</u>	<u>3,904</u>	<u>4,278</u>
Less:				
Non-current liabilities				
Finance lease payables	14	19	-	-
Deferred tax liabilities	61	61	-	-
	<u>75</u>	<u>80</u>	<u>-</u>	<u>-</u>
	<u>24,657</u>	<u>23,429</u>	<u>18,904</u>	<u>19,278</u>
Capital and reserves				
Share capital	17,967	17,967	17,967	17,967
Foreign currency translation reserve	23	36	-	-
Retained earnings	6,677	5,399	937	1,311
	<u>24,667</u>	<u>23,402</u>	<u>18,904</u>	<u>19,278</u>
Equity attributable to the owners of the parent				
Non-controlling interests	(10)	27	-	-
Total equity	<u>24,657</u>	<u>23,429</u>	<u>18,904</u>	<u>19,278</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 30.09.11		As at 31.03.11	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
10	-	2,243	-

Amount repayable after one year

As at 30.09.11		As at 31.03.11	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
14	-	19	-

Details of any collateral

As of 30 September 2011, our total secured short term borrowings amounted to approximately S\$10,000 comprising the current portion of finance lease payables, while our total secured long term borrowings comprising non-current portion of finance lease payables amounted to approximately S\$14,000. 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 statement of cash flows (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	
	30.09.11	30.09.10
	S\$'000	S\$'000
Operating activities		
Profit before income tax	1,755	750
Adjustments for:		
Amortisation of intangibles asset	92	-
Depreciation of plant and equipment	133	110
Changes in fair value of derivative financial instruments	355	-
Interest expenses	27	6
Interest income	(24)	(17)
Dividend income	(10)	(18)
Write-back of allowance for doubtful third parties trade receivables no longer required	(40)	(29)
Loss on disposal of an associate	2	-
Share of results of associates	(17)	15
Operating cash flows before working capital changes	2,273	817
Working capital changes:		
Inventories	832	1,616
Trade and other receivables	1,452	(4,687)
Prepayments	(14)	(338)
Trade and other payables	(795)	302
Cash generated from/(absorbed by) operations	3,748	(2,290)
Income tax paid	(69)	(477)
Net cash from/(used in) operating activities	3,679	(2,767)
Investing activities		
Purchase of plant and equipment	(181)	(222)
Acquisition of available-for-sale financial assets	(416)	-
Investment in an associate	-	(75)
Issue of shares to non-controlling interests	-	13
Proceeds from disposal of an associate	-	18
Dividend received	10	18
Interest received	24	17
Net cash used in investing activities	(563)	(231)
Financing activities		
Repayment of obligations under finance leases	(20)	(37)
Proceeds of bank borrowings	6,043	1,002
Repayment of borrowings	(8,261)	(1,002)
Reversal of fixed deposits	(6)	14
Interest paid	(27)	(6)
Dividend paid	(106)	-
Net cash used in financing activities	(2,377)	(29)
Net change in cash and cash equivalents	739	(3,027)
Cash and cash equivalents at beginning of financial period	8,652	12,732
Effects of exchange rate changes on cash and cash equivalents	(15)	(20)
Cash and cash equivalents at end of financial period	9,376	9,685
Cash and cash equivalents comprise of the following:		
Fixed deposits	4,061	6,821
Cash and bank balances	6,070	3,622
Cash and cash equivalents on statement of financial position of the Group	10,131	10,443
Fixed deposits pledged	(755)	(758)
Cash and cash equivalents included in the consolidated statements of cashflows	9,376	9,685


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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	Retained earnings S\$'000	Equity attributable to owners of the parent S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance at 1 April 2011	17,967	36	5,399	23,402	27	23,429
Profit for the financial period	-	-	1,384	1,384	(35)	1,349
Other comprehensive income for the financial period						
Foreign currency differences on translation of foreign operations	-	(13)	-	(13)	(2)	(15)
Total comprehensive income for the financial period	-	(13)	1,384	1,371	(37)	1,334
Transactions with the owners of the parent						
Dividend paid	-	-	(106)	(106)	-	(106)
Transactions with the owners of the parent	-	-	(106)	(106)	-	(106)
Balance at 30 September 2011	17,967	23	6,677	24,667	(10)	24,657
Balance at 1 April 2010	17,967	54	4,166	22,187	-	22,187
Profit for the financial period	-	-	516	516	(15)	501
Other comprehensive income for the financial period						
Foreign currency differences on translation of foreign operations	-	(20)	-	(20)	-	(20)
Total comprehensive income for the financial period	-	(20)	516	496	(15)	481
Transactions with the non-controlling interests						
Issue of shares to non-controlling interests	-	-	-	-	13	13
Total transactions with the non-controlling interests	-	-	-	-	13	13
Balance at 30 September 2010	17,967	34	4,682	22,683	(2)	22,681


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STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Company	Share capital S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the parent S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance at 1 April 2011	17,967	-	1,311	19,278	-	19,278
Profit for the financial period	-	-	(268)	(268)	-	(268)
Total comprehensive income for the financial period	-	-	(268)	(268)	-	(268)
Transactions with the owners of the parent						
Dividend paid	-	-	(106)	(106)	-	(106)
Transactions with the owners of the parent	-	-	(106)	(106)	-	(106)
Balance at 30 September 2011	17,967	-	937	18,904	-	18,904
Balance at 1 April 2010	17,967	-	(1,236)	16,731	-	16,731
Profit for the financial period	-	-	2,732	2,732	-	2,732
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

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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 were no changes in the Company's share capital since the end of the previous period reported on and there were no outstanding convertibles or treasury shares held as at 30 September 2011.

- 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 30.09.11	As at 31.03.11
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 2011 and 31 March 2011.

- 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 most recent audited consolidated financial statements as at 31 March 2011.

- 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 which became effective during the current 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 30.09.11	30.09.10
Profit for the financial period attributable to owners of the parent (S\$'000)	1,384	516
Number of ordinary shares outstanding for computation of EPS ('000)	106,000	106,000
EPS (cents) (Basic and diluted)	1.31	0.49

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 30.09.11	As at 31.03.11	As at 30.09.11	As at 31.03.11
NAV per ordinary share (cents)	23.26	22.10	17.83	18.19
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 2011 ("HY2012") vs six months ended 30 September 2010 ("HY2011")**

The Group's revenue increased by approximately S\$2.6 million or 11.2% from approximately S\$23.0 million in HY2011 to approximately S\$25.6 million in HY2012. The increase is due to increase in revenue from the sale of goods segment as several major projects were undertaken and delivered during the financial period.

The Group's gross profit increased by approximately S\$2.5 million or 47.6% from approximately S\$5.3 million in HY2011 to approximately S\$7.8 million in HY2012 in line with the increase in revenue. Gross profit margin increased from 23.2% in HY2011 to 30.8% in HY2012.

Other income decreased by approximately S\$55,000 from approximately S\$187,000 in HY2011 to approximately S\$132,000 in HY2012 due mainly to a decrease in sundry income received.



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The Group's distribution costs increased by approximately S\$1.0 million or 51.5% from approximately S\$2.0 million in HY2011 to approximately S\$3.0 million in HY2012. This is due mainly to the increase in salaries as the Group increased its staff strength for sales, marketing and support staff.

The Group's general and administrative expenses for HY2012 increased by approximately \$0.7 million or 27.5% from approximately S\$2.5 million in HY2011 to approximately S\$3.2 million in HY2012. The increase in general and administrative expenses is mainly in line with the increase in business activities for the financial period. The main items which contributed to the increase in expenses are, amortisation of approximately \$92,000 (relating to the SAP software), and increase in legal and professional charges and salaries for directors, administrative and finance staff by approximately S\$0.1 million and S\$0.2 million respectively.

Other expenses recorded in HY2012 decrease by approximately S\$217,000 or 84.8% from S\$256,000 in HY2011 to S\$39,000 in HY2012. This was due mainly to the decrease in foreign exchange loss recorded during the financial period.

The Group recorded finance costs of approximately S\$27,000 in HY2012 on interest for finance leases and trust receipts.

Income tax expense increased by approximately S\$0.2 million or 63.1% from S\$0.2 million in HY2011 to S\$0.4 million in HY2012 due to the increase in the Group's profitability for the financial period.

As a result of the foregoing, profit for the period increased by approximately S\$0.8 million or 169.3% from approximately S\$0.5 million in HY2011 to approximately S\$1.3 million in HY2012.

REVIEW OF FINANCIAL POSITION OF THE GROUP

Total current assets decreased by approximately S\$1.5 million, from approximately S\$36.4 million as at 31 March 2011 to approximately S\$34.9 million as at 30 September 2011. This is due to decrease in trade and other receivables of approximately S\$1.4 million and inventories of approximately S\$0.8 million, which is offset by the increase in cash and cash equivalents of approximately S\$0.7 million.

Total current liabilities decreased by approximately S\$2.4 million, from approximately S\$15.6 million as at 31 March 2011 to approximately S\$13.2 million as at 30 September 2011. This is due mainly to decrease in bank borrowings of approximately S\$2.2 million and trade and other payables of approximately S\$0.8 million, which is offset by the increase in current income tax payable of approximately S\$0.3 million and derivative financial instrument of approximately S\$0.3 million.

As at 30 September 2011, our capital and reserves amounted to approximately S\$24.7 million. Share capital was approximately S\$18.0 million and retained earnings was approximately S\$6.7 million.

REVIEW OF STATEMENT OF CASH FLOWS OF THE GROUP

In HY2012, we generated net cash from operating activities before working capital changes of approximately S\$2.3 million. Net cash generated from working capital amounted to approximately S\$1.5 million which was mainly due to decrease in inventories and trade and other receivables of S\$0.8 million and S\$1.5 million respectively, which is offset by decrease in trade and other payables of approximately S\$0.8 million. After payment of income tax of approximately S\$0.1 million, the net cash generated from operating activities amounted to approximately S\$3.7 million for HY2012 as compared to net cash used in operating activities of approximately S\$2.8 million for HY2011.

Net cash used in investing activities in HY2012 was approximately S\$0.6 million compared to approximately S\$0.2 million in HY2011. The net cash used in investing activities in HY2012 was due mainly to the purchase of plant and equipment and additional investment in available-for-sale financial asset during the financial period.

Net cash used in financing activities in HY2012 was approximately S\$2.4 million compared to approximately S\$29,000 in HY2011. The net cash used in financing activities in HY2012 was due mainly to the repayment of obligations under finance leases and trust receipts of approximately S\$8.3 million and payment of dividend of approximately S\$0.1 million which is offset by the proceeds of bank borrowings of approximately S\$6.1 million 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.**

The operating environment continues to be difficult and competitive pressures remain. The Group expects demand from the marine sector to be subdued due to weak freight rates and capacity oversupply. However, prospects are brighter for the offshore sector which is seeing renewed investments in both the upstream and downstream segments of the oil & gas industry.

The Group remains positive over the long term prospects of its business in marine electronics supply, maintenance and support services. In this respect, the Group will continue to expand its footprint in Asia's key shipbuilding hubs of China, South Korea and Singapore as well as explore M&A opportunities which will add to its overall capabilities and strengthen its competitive edge.

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/recommendeded, a statement to that effect.**

No dividend has been declared or recommended.

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13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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	23	
Total:	119	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 comprise banking facilities, hire purchase facilities and surety bond undertaking. No fee was paid to the guarantors for the provision of the above guarantees.

The Group has not obtained a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the SGX-ST Listing Manual.

14. **Use of Proceeds Update**

Use of IPO Proceeds	Amount allocated	Amount used as at 30 September 2011
	S\$'000	S\$'000
Investments and/or joint ventures	1,500	308
General working capital	602	602

15. **Negative confirmation pursuant to Rule 705(5)**

We confirm on behalf of the Board of Directors that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group for the six months ended 30 September 2011 to be false or misleading in any material aspect.

On behalf of the Board

Foo Chew Tuck
Executive Chairman

Tan Lian Huat
Chief Executive Officer

BY ORDER OF THE BOARD

Foo Chew Tuck
Executive Chairman
9 November 2011