



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 2009

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 2008.

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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		Increase / (Decrease) %
	Six months ended 30.09.09 S\$'000	30.09.08 S\$'000	
Revenue	29,445	35,413	(16.9)
Cost of sales	(21,884)	(26,592)	(17.7)
Gross profit	7,561	8,821	(14.3)
Other income	290	809	(64.2)
Distribution costs	(2,055)	(3,072)	(33.1)
General and administrative expenses	(2,221)	(2,220)	-
Other expenses	(533)	-	NM
Finance costs	(49)	(126)	(61.1)
Share of results of associates	7	15	(53.3)
Profit before income tax	3,000	4,227	(29.0)
Income tax expense	(546)	(740)	(26.2)
Profit after income tax attributable to owners of the parent	2,454	3,487	(29.6)

- 1(a)(ii) **Statement of comprehensive income for the six months ended 30 September 2009**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		Increase / (Decrease) %
	Six months ended 30.09.09 S\$'000	30.09.08 S\$'000	
Profit for the financial period	2,454	3,487	(29.6)
Other comprehensive income, net of tax			
Foreign currency translation relating to financial statements of foreign subsidiaries	(46)	-	NM
Total comprehensive income attributable to owners of the parent	2,408	3,487	

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 30.09.09 S\$'000	30.09.08 S\$'000	
Allowance for doubtful third parties trade receivables	(65)	-	NM
Depreciation of plant and equipment	(115)	(101)	13.9
Net foreign exchange gain / (loss)	(468)	320	NM
Interest on borrowings	(49)	(126)	(61.1)
Loss on disposal of plant and equipment	(1)	-	NM
Other income including interest income	290	809	(64.2)
Write-back of allowance for doubtful trade receivables	36	21	71.4
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.

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	As at 30.09.09 S\$'000	As at 31.03.09 S\$'000	As at 30.09.09 S\$'000	As at 31.03.09 S\$'000
Non-current assets				
Plant and equipment	570	615	-	-
Investments in subsidiaries	-	-	15,000	- *
Investments in associates	142	134	-	-
Available-for-sale financial assets	643	643	-	-
Other receivables	200	218	-	-
	<u>1,555</u>	<u>1,610</u>	<u>15,000</u>	<u>-</u>
Current assets				
Inventories	6,435	10,031	-	-
Trade and other receivables	13,488	16,316	218	-
Cash and cash equivalents	11,246	8,209	19	18
	<u>31,169</u>	<u>34,556</u>	<u>237</u>	<u>18</u>
Current liabilities				
Trade and other payables	11,998	15,410	469	37
Finance lease payables	74	72	-	-
Bank borrowings	1,938	4,284	-	-
Current income tax payable	1,324	1,411	-	-
	<u>15,334</u>	<u>21,177</u>	<u>469</u>	<u>37</u>
Net current assets / (liabilities)	15,835	13,379	(232)	(19)
Less:				
Non-current liabilities				
Finance lease payables	52	89	-	-
Deferred tax liabilities	42	45	-	-
	<u>94</u>	<u>134</u>	<u>-</u>	<u>-</u>
	<u>17,296</u>	<u>14,855</u>	<u>14,768</u>	<u>(19)</u>
Capital and reserves				
Share capital	15,000	1,040	15,000	- **
Foreign currency translation account	(48)	(2)	-	-
Accumulated profits / (losses)	2,344	13,817	(232)	(19)
	<u>17,296</u>	<u>14,855</u>	<u>14,768</u>	<u>(19)</u>

* Denotes investment in a subsidiary comprising of one Singapore Dollar

** Denotes share capital comprising of two Singapore Dollars

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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 30.09.09		As at 31.03.09	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
2,012	-	4,356	-

Amount repayable after one year

As at 30.09.09		As at 31.03.09	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
52	-	89	-

Details of any collateral

As of 30 September 2009, our total secured short term borrowings amounted to approximately S\$2.0 million in aggregate, comprising trust receipts of approximately S\$1.9 million and the current portion of finance lease payables of approximately S\$74,000, while our total secured long term borrowings comprising non-current portion of finance lease payables amounted to approximately S\$52,000. 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. Trust receipts are secured by certain fixed deposits with banks and personal guarantees given by our executive directors and/or their associates.


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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	
	30.09.09	30.09.08
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before income tax	3,000	4,227
Adjustments for:		
Allowance for doubtful third parties trade receivables	65	-
Depreciation of plant and equipment	115	101
Interest expenses	49	126
Interest income	(19)	(18)
Write-back of allowance for doubtful trade receivables	(36)	(21)
Write-off of goodwill	33	-
Loss on disposal of plant and equipment	1	-
Share of results of associates	(7)	(15)
Operating cash flows before working capital changes	3,201	4,400
Working capital changes:		
Inventories	3,596	(1,218)
Trade and other receivables	2,817	(3,415)
Trade and other payables	(3,412)	1,206
Trust receipts	(2,346)	250
Cash generated from operations	3,856	1,223
Income tax paid	(636)	(389)
Net cash from operating activities	3,220	834
Cash flows from investing activities		
Purchase of plant and equipment	(72)	(133)
Investments in associates	-	(16)
Foreign currency translation	(46)	-
Interest received	19	18
Net cash used in investing activities	(99)	(131)
Cash flows from financing activities		
Repayments of obligations under finance leases	(35)	4
Reversal / (Pledge) of fixed deposits	17	(8)
Interest paid	(49)	(126)
Net cash used in financing activities	(67)	(130)
Net change in cash and cash equivalents	3,054	573
Cash and cash equivalents at beginning of financial period	7,417	5,997
Cash and cash equivalents at end of financial period	10,471	6,570
Cash and cash equivalents comprise of the following:		
Fixed deposits	6,336	1,895
Cash and bank balances	4,910	5,452
Cash and cash equivalents on consolidated balance sheets	11,246	7,347
Less: Fixed deposit pledged	(775)	(777)
Cash and cash equivalents as per consolidated statement of cash flows	10,471	6,570



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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 account S\$'000	Accumulated profits / (losses) S\$'000	Total attributable to owners of the parent S\$'000
Balance at 1 April 2009	1,040	(2)	13,817	14,855
Share swap pursuant to the Restructuring Exercise	(1,040)	-	-	(1,040)
New shares issued pursuant to the Restructuring Exercise	15,000	-	-	15,000
Merger reserve account pursuant to the Restructuring Exercise	-	-	(13,927)	(13,927)
Total comprehensive income for the financial period	-	(46)	2,454	2,408
Balance at 30 September 2009	15,000	(48)	2,344	17,296
Balance at 1 April 2008	1,040	-	7,425	8,465
Total comprehensive income for the financial period	-	-	3,487	3,487
Balance at 30 September 2008	1,040	-	10,912	11,952
Company				
Balance at 1 April 2009	- *	-	(19)	(19)
New shares issued pursuant to the Restructuring Exercise	15,000	-	-	15,000
Total comprehensive expense for the financial period	-	-	(213)	(213)
Balance at 30 September 2009	15,000	-	(232)	14,768
Balance at 1 April 2008	- *	-	(11)	(11)
Total comprehensive expense for the financial period	-	-	(5)	(5)
Balance at 30 September 2008	- *	-	(16)	(16)

* 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.**

Details of the changes in issued and paid-up capital of the Company are as follows:

	Number of shares	Paid-up capital (\$)
Shares at incorporation	2	2
Issue of shares pursuant to the Restructuring Exercise	14,999,998	14,999,998
	<u>15,000,000</u>	<u>15,000,000</u>
Share split of 1 share into 6 shares	90,000,000	15,000,000
Issued and paid-up share capital as at 30 September 2009	<u>90,000,000</u>	<u>15,000,000</u>

There are no outstanding convertibles as at 30 September 2009 and 31 March 2009.

- 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 30.09.09	As at 31.03.09
Total number of issued shares excluding treasury shares	<u>90,000,000</u>	<u>2</u>

The Company has no treasury shares outstanding as at 30 September 2009 and 31 March 2009.

- 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.

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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 combined financial statements as at 31 March 2009 as set out in the Offer Document.

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.

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 30.09.09	30.09.08
Earnings attributable to owners of the parent (S\$'000)	2,454	3,487
Number of ordinary shares outstanding for computation of EPS	90,000,000 ⁽¹⁾	90,000,000 ⁽¹⁾
Earnings per ordinary share (Singapore Cents) Basic and diluted EPS	2.73	3.87

Note:

(1) For illustrative purposes, the issued and paid-up share capital of our Company of 90,000,000 ordinary shares is assumed to have been in issue throughout the entire six-month periods ended 30 September 2009 and 30 September 2008.

Basic EPS is computed by dividing the earnings attributable to owners of the parent in each financial period by the 90,000,000 ordinary shares which were assumed to be in issue throughout the six-month periods ended 30 September 2009 and 30 September 2008.

The basic EPS for the six-month periods ended 30 September 2009 and 30 September 2008 are the same as the respective diluted EPS, as there were no potential dilutive ordinary shares in existence during these periods.

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 30.09.09	As at 31.03.09	As at 30.09.09	As at 31.03.09
NAV per ordinary share (SGD cents)	19.22	16.51	16.41	(0.02)
Number of ordinary shares used in computation of NAV per ordinary share ⁽¹⁾	90,000,000	90,000,000	90,000,000	90,000,000

Note:

(1) NAV per ordinary share was calculated based on 90,000,000 ordinary shares which was assumed to be in issue throughout the entire six-month periods ended 30 September 2009 and 30 September 2008.



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.

(a) 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 2009 ("HY2010") vs six months ended 30 September 2008 ("HY2009")

The Group's revenue decreased by approximately S\$6.0 million or 16.9% from approximately S\$35.4 million in HY2009 to approximately S\$29.4 million in HY2010. The decrease is mainly due to decrease in revenue from the sale of goods segment during HY2010 as the demand for new vessels softened during the financial period following the global economic downturn.

The Group's gross profit decreased by approximately S\$1.2 million or 14.3% from approximately S\$8.8 million in HY2009 to approximately S\$7.6 million in HY2010 in line with the decrease in revenue. Nonetheless, gross profit margin increased from 24.9% in HY2009 to 25.7% in HY2010 due mainly to decrease in bonuses as a result of the lower profitability achieved during the current financial period, as well as higher gross profit margin from rendering of services as the Group outsourced lesser maintenance and services work to subcontractors.

Other income decreased by approximately S\$0.5 million from S\$0.8 million in HY2009 to approximately S\$0.3 million in HY2010. This was due mainly to the absence of a one-time introducer fee earned of approximately S\$0.4 million and foreign exchange gain of approximately S\$0.3 million recorded in HY2009, which was offset partly by increase in grants of approximately S\$0.2 million in HY2010 due mainly to the jobs credit granted under the Jobs Credit Scheme.

The Group's distribution costs decreased by approximately S\$1.0 million or 33.1% from approximately S\$3.1 million in HY2009 to approximately S\$2.1 million in HY2010 due mainly to lower commission and bonuses for sales, marketing and support staff due to lower sales and profitability recorded during HY2010.

The Group's general and administrative expenses for HY2010 remained at similar level to that recorded in HY2009 at approximately S\$2.2 million.

Other expenses recorded in HY2010 of approximately S\$0.5 million was due to allowance for doubtful third parties trade receivables and foreign exchange loss incurred during the financial period.

Finance costs decreased by approximately S\$77,000 from approximately S\$126,000 in HY2009 to approximately S\$49,000 in HY2010 due mainly to lower interest on trust receipts incurred as a result of lower level of borrowings.

As a result of the foregoing, profit after income tax attributable to equity holders decreased by approximately S\$1.0 million or 29.6% from approximately S\$3.5 million in HY2009 to approximately S\$2.4 million in HY2010.

REVIEW OF FINANCIAL POSITION

Our current assets comprise inventories, trade and other receivables and cash and cash equivalents. Total current assets decreased by approximately S\$3.4 million, from approximately S\$34.6 million as at 31 March 2009 to approximately S\$31.2 million as at 30 September 2009. This is due to decrease in inventories of approximately S\$3.6 million and trade and other receivables of approximately S\$2.8 million in line with the Group's decrease in revenue which is offset by the increase in cash and cash equivalents by approximately S\$3.0 million.

Our current liabilities comprise trade and other payables, current portion of finance lease payables, bank borrowings and current income tax payable. Total current liabilities decreased by approximately S\$5.9 million, from approximately S\$21.2 million as at 31 March 2009 to approximately S\$15.3 million as at 30 September 2009. This is mainly due to decrease in trade and other payables by approximately S\$3.4 million in line with the lower level of activities and decrease in bank borrowings comprising trusts receipts by approximately S\$2.4 million.

Our capital and reserves comprise mainly share capital and accumulated profits. As at 30 September 2009, our capital and reserves amounted to approximately S\$17.3 million. Share capital was S\$15.0 million and accumulated profits was approximately S\$2.3 million.

REVIEW OF STATEMENT OF CASH FLOW

In HY2010, we generated net cash from operating activities before working capital changes of approximately S\$3.2 million. Net cash generated from working capital amounted to approximately S\$0.6 million which was mainly due to decrease in inventories of approximately S\$3.6 million, decrease in trade and other receivables of approximately S\$2.8 million in line with decrease in our revenue, which is offset by decrease in trade and other payables of approximately S\$3.4 million and decrease in trust receipts of approximately S\$2.4 million. After payment of income tax of approximately S\$0.6 million, the net cash generated from operating activities amounted to approximately S\$3.2 million for HY2010 as compared to approximately S\$0.8 million for HY2009.

Net cash used in investing activities in HY2010 was approximately S\$0.1 million which was at a similar level as compared to HY2009. The net cash used in investing activities in HY2010 was due mainly to the purchase of plant and equipment during HY2010.

Net cash used in financing activities in HY2010 was approximately S\$67,000 compared to approximately S\$130,000 in HY2009. The net cash used in financing activities in HY2010 was due mainly to the repayment of obligations under finance leases of approximately S\$35,000 and interest paid of approximately S\$49,000, offset by decrease in fixed deposit pledged with bank of approximately S\$17,000.

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 Group expects the operating environment to continue to be challenging and competitive. Although the current economic conditions have improved as compared to the beginning of 2009, we expect that orders for new builds will continue to be slow, leading to softened demand for marine electronics equipment and systems. However, the Group expects its maintenance and support services to continue to be resilient due to mandatory requirement for vessels to be seaworthy and in compliance with classification requirements, thereby cushioning the impact of the potential slower sales of our marine electronics equipment and systems.

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 for the six-month period ended 30 September 2009.

13. Interested Person Transactions

Saved as disclosed in pages 120 to 123 of the Offer Document, there were no other interested person transactions of S\$100,000 or more for the six-month period ended 30 September 2009.

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 2009 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Foo Chew Tuck
Executive Chairman
9 December 2009