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## **PRESS RELEASE**

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## **Jason Marine, provider of integrated solutions of marine communication, navigation and automation systems, launches IPO**

- *Invitation in respect of 16,000,000 New Shares at S\$0.21 each, comprising 500,000 Offer Shares and 15,500,000 Placement Shares*

**SINGAPORE – 12 October 2009 – Jason Marine Group Limited** 日升海事集团有限公司 (“**Jason Marine**”) and its subsidiaries, (the “**Group**”), a leading provider of integrated solutions of a wide range of marine communication, navigation and automation systems, today launched its initial public offering (“**IPO**” or “**Invitation**”) of 16,000,000 New Shares at an issue price of S\$0.21 each in connection with its proposed listing on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**Catalist**”).

**CIMB Bank Berhad, Singapore Branch** is the Sponsor, and **CIMB-GK Securities Pte. Ltd.** is the Underwriter and Placement Agent, for the IPO.

### **The Invitation**

The Invitation of 16,000,000 New Shares, which comprises 500,000 Offer Shares and 15,500,000 Placement Shares, represents 15.09% of Jason Marine’s enlarged share capital of 106,000,000 shares after the IPO.

At S\$0.21 per share, Jason Marine's IPO is priced at an estimated price earnings ratio of 3 times, based on the Group's historical net earnings per share of 7.10 Singapore cents for the financial year ended 31 March 2009 ("FY2009") (based on pre-invitation share capital of 90,000,000 Shares).

The IPO opens on 12 October 2009 and will close at 12.00 noon on 19 October 2009. Trading of Jason Marine's Shares, in board lots of 1,000 shares, is expected to commence on 21 October 2009.

### **Corporate Profile**

Established in 1976 with a track record of more than 30 years, the Group is one of the leading providers of integrated solutions of a wide range of marine communication, navigation and automation systems based in Singapore.

The Group designs, supplies, integrates, installs, tests and commissions the following systems for its customers, as well as provide maintenance and support services for them:-

- 1) **Communication:** Equipment and systems used for voice communication, data transfer and internet connection, including intercom, public address and general alarm applications.
- 2) **Navigation:** Equipment and systems designed to determine a vessel's position and direction, and for controlling the movement of the vessel from one place to another.
- 3) **Automation:** Systems designed for monitoring and controlling the ship's mechanical and electronics systems and machinery, including applications from small stand-alone alarm systems, to fully integrated control systems such as ballast control and power management.

The Group also provides its customers with **airtime services** for the satellite communication systems distributed by the Group as well as other distributors, which is used for high quality direct-dial voice, communication, facsimile, data transfer, telex, e-mail and high-speed internet connections.

With established partnerships with internationally renowned manufacturers such as Raytheon Anschütz, Thrane & Thrane, Seatel, Navico, Federal Signal, Samyung and Koden, the Group is able to offer best-of-breed solutions to its customers.

Headquartered in Singapore, Jason Marine has presence in Indonesia, Malaysia, the PRC and Thailand. The Group's wide customer base, which reached over 1,000 in FY2009, comprises predominantly international customers from the marine and offshore oil & gas industries.

### **The Group's Competitive Strengths**

#### ***Providing integrated solutions for a comprehensive range of marine communication, navigation and automation systems***

Jason Marine is well-equipped to provide "integrated one-stop shop" solutions – from the initial stage of consultancy, system design to implementing, testing and commissioning the solution according to customer specifications, as well as provide reliable maintenance and after-sales support services.

#### ***Strong technical expertise and ability to design and implement comprehensive solutions***

As at 11 September 2009, the Group's team of 98 skilled and qualified engineering and technical personnel enable the Group to provide customised and timely solutions to its customers.

#### ***Experienced and committed management team***

Spearheaded by its founder and Executive Chairman, Mr Joseph Foo Chew Tuck (符昭德), the Group is led by a strong, dedicated and experienced management team. Both Mr Foo and the Group's CEO, Mr Ronald Tan Lian Huat (陈连发), have over 30 years of experience each in the marine electronics industry and have been with the Group for over 25 years each. Their in-depth knowledge, business experience and networking resources are essential to the Group's continued growth.

#### ***Good relationships with suppliers and a wide base of customers***

Jason Marine has built established relationships with many suppliers, many of whom are leading manufacturers in their respective fields. Due to good working relationships with its customers by providing timely, reliable and quality services at competitive prices, the Group's repeat customers

represent more than 80% of the Group's total revenue in FY2009. The Group's wide range of customers over the years include international shipping companies, shipyards, rig builders to cruise liners, ship managers and leisure and fishing boat owners and governmental agencies.

***Regional presence and have the capability to deploy globally***

With an established presence overseas, Jason Marine is not only well-placed to provide regional customers with reliable and timely technical support, but is also better positioned to understand the demands for its products and services in the respective local markets. At the same time, the Group is also able to successfully deploy its capabilities and expertise to service customers locally and internationally.

**Prospects**

The Directors of Jason Marine believe that shipping traffic in Singapore will continue to grow as the global economy recovers, and that the long-term demand for the Group's supplies and services will be firm. One of the factors supporting the Group's view is the robust shipping traffic in Singapore. Singapore's strategic location makes it a natural maritime hub, and it was one of the world's busiest container ports in 2008, handling approximately 29.9 million Twenty Foot Equivalent Units.

Mr Foo opines that, "Singapore has 70% of the world market share for the production of jack-up rigs, 70% of the world market share for the conversion of FPSO units, and 20% of the world market share for ship repairs. In addition, the ship repair services industry remains robust. Therefore, we believe that the supplies and services for ship repairs will continue to provide a stable revenue stream for our Group."

The Group is also of the view that the growth in the shipbuilding and ship repair services industries in the PRC will be sustainable. Although the PRC is the world's second largest shipbuilder, domestic manufacturers produce only 30% of marine equipment required by ship builders, and import the rest. As a result, the Group expects revenue contribution from the PRC to increase in the long run, with growing demand for marine electronics equipment and the related services despite the current anticipated slowdown in terms of new ship orders in the PRC.

“Furthermore, as there is currently no other viable alternative to meet most of the world’s energy needs, we also believe demand for oil exploration and production activities (both onshore and offshore) will continue to be firm moving forward,” adds Mr Tan.

On the Group’s future plans, Mr Foo concludes, “Moving forward, we may consider investing in other companies with businesses similar or complementary to our Group’s business, as well as joint ventures with suitable parties as and when opportunities arise. We will also look into expanding our geographical network by creating an international network to provide better customer support, as well as setting up new offices in some of the region’s busiest ports, especially in the PRC, and other ship building hubs. We will also identify and source for new suppliers to complement our existing range of products, procure new licensing or distributorship arrangements from other suppliers, and evaluate the feasibility of diversifying our existing business portfolio to include the provision of integrated solutions for land and aviation communication.”

### **Financial Results**

In FY2009, the Group recorded total revenue of approximately S\$70.9 million. Gross profit and gross profit margin for FY2009 were S\$17.7 million and 24.9%, respectively. Net profit was approximately S\$6.4 million for the financial year.

In terms of revenue by business segment, the sales of marine communication, navigation and automation systems accounted for 79.8% of the Group’s total revenue in FY2009. Maintenance and support services accounted for 16.8% of the Group’s total revenue, while the remaining 3.4% of the Group’s total revenue can be attributed to airtime sales.

Reflecting the Group’s diverse international customer base, 42% of the Group’s FY2009 revenue was from Singapore, 27.6% from the PRC, 16.3% from South East Asia (excluding Singapore), and 14.1% from other countries such as Germany, Greece, UAE, UK and the USA.

The Group is presently in a healthy financial position with shareholders’ equity of approximately S\$16.4 million, as at 31 July 2009. The Group is also in a net cash position, with cash and cash equivalents of S\$12.0 million and borrowings of S\$3.3 million as at 31 July 2009.

### **Use of IPO Proceeds**

From the estimated net IPO proceeds of approximately S\$2.1 million raised:

- Approximately S\$1.5 million will be used for investments and/or joint ventures; and
- The balance of approximately S\$0.6 million will be used for general working capital purpose.

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*A copy of the Offer Document is available on the Singapore Exchange Securities Trading Limited's Catalodge website at <http://www.sgxcatalist.com>.*