# JASON HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201119167Z)

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**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER ("FY") 2014**

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**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.*

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

| | Group | | |
|---|---|---|---|
| | **Unaudited FY2014 $'000** | **Audited FY2013 $'000** | **% Increase/ (Decrease)** |
| **Revenue** | **40,079** | **32,991** | **21.5** |
| Cost of sales | (32,318) | (27,146) | 19.1 |
| **Gross profit** | **7,761** | **5,845** | **32.8** |
| ***Other items of income*** | | | |
| Interest income | 7 | - | NM |
| Other income | 393 | 147 | 167.3 |
| ***Other items of expense*** | | | |
| Selling and distribution expenses | (74) | (181) | (59.1) |
| Administrative expenses | (5,015) | (4,185) | 19.8 |
| Other expenses | (2,142) | (3,010) | (28.8) |
| Finance costs | (518) | (512) | 1.2 |
| **Profit/ (Loss) before income tax** | **412** | **(1,896)** | **121.7** |
| Income tax credit/ (expense) | 8 | (8) | 200.0 |
| **Profit/ (Loss) for the financial year, representing total comprehensive income for the financial year** | **420** | **(1,904)** | **122.1** |
| **Total comprehensive income/ (loss) attributable to:** | | | |
| Owners of the parent | 418 | (1,841) | 122.7 |
| Non-controlling Interests | 2 | (63) | 103.2 |

NM = Not meaningful

## #1(a)(ii) Notes to the Consolidated Statement of Comprehensive Income

| Profit/ (Loss) before income tax is arrived at after charging/ (crediting): | Group<br>Unaudited FY2014 $'000 | Audited FY2013 $'000 | % Increase/ (Decrease) |
|---|---|---|---|
| **Other income:** | | | |
| Gain on disposal of plant and equipment | (22) | - | NM |
| Rental income | (41) | - | NM |
| Prior year expenses recovered | - | (107) | NM |
| Miscellaneous income | (330) | (40) | 725.0 |
| | **(393)** | **(147)** | **167.3** |
| **Interest on borrowings:** | | | |
| Finance lease liabilities | 13 | 13 | - |
| Trust receipts | 230 | 217 | 6.0 |
| Trade receivable financing | 162 | 229 | (29.3) |
| Term loans and property loan | 111 | 41 | 170.7 |
| Bank overdrafts | 2 | 12 | (83.3) |
| | **518** | **512** | **1.2** |
| Amortisation of intangible asset | 92 | 105 | (12.4) |
| (Write-back)/ Allowance for doubtful trade receivables - third parties | (15) | 893 | 101.7 |
| Trade receivables written off - third parties | - | 192 | NM |
| Depreciation of property, plant and equipment | 300 | 309 | (2.9) |
| Realised foreign exchange loss, net | 27 | 16 | 68.8 |
| Unrealised foreign exchange loss, net | 78 | - | NM |
| Impairment of goodwill | - | 87 | NM |
| Over-provision of income tax in prior financial year | (8) | (23) | (65.2) |

NM = Not meaningful

**#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 | |
|---|---|---|---|---|
| | Unaudited as at 31 December 2014 | Audited as at 31 December 2013 | Unaudited as at 31 December 2014 | Audited as at 31 December 2013 |
| | $'000 | $'000 | $'000 | $'000 |
| **Non-current assets** | | | | |
| Property, plant and equipment | 2,356 | 2,575 | - | - |
| Intangible asset | 56 | 145 | - | - |
| Investment in subsidiaries | - | - | 5,588 | 5,588 |
| **Total non-current assets** | **2,412** | **2,720** | **5,588** | **5,588** |
| **Current assets** | | | | |
| Inventories | 10,536 | 10,599 | - | - |
| Trade and other receivables | 31,487 | 29,114 | 2,780 | 2,754 |
| Prepayments | 202 | 44 | 121 | 30 |
| Tax recoverable | - | 170 | - | - |
| Cash and cash equivalents | 255 | 7,232 | 11 | 38 |
| **Total current assets** | **42,480** | **47,159** | **2,912** | **2,822** |
| Less: | | | | |
| **Current liabilities** | | | | |
| Trade and other payables | 6,464 | 7,954 | 191 | 5 |
| Amount due to a corporate shareholder of the Company | 1,313 | 1,313 | - | - |
| Amount due to a director of the Company | 1,672 | 1,072 | - | - |
| Interest-bearing liabilities | 14,533 | 18,545 | - | - |
| Current income tax payable | - | - | - | 31 |
| **Total current liabilities** | **23,982** | **28,884** | **191** | **36** |
| **Net current assets** | **18,498** | **18,275** | **2,721** | **2,786** |
| Less: | | | | |
| **Non-current liabilities** | | | | |
| Interest-bearing liabilities | 6,139 | 6,644 | - | - |
| Deferred tax liabilities | 15 | 15 | - | - |
| **Total non-current liabilities** | **6,154** | **6,659** | **-** | **-** |
| **Net assets** | **14,756** | **14,336** | **8,309** | **8,374** |
| **Equity** | | | | |
| Share capital | 9,145 | 9,145 | 9,145 | 9,145 |
| Retained earnings/ (Accumulated losses) | 5,580 | 5,162 | (836) | (771) |
| **Equity attributable to owners of the Company** | **14,725** | **14,307** | **8,309** | **8,374** |
| Non-controlling interests | 31 | 29 | - | - |
| **Total equity** | **14,756** | **14,336** | **8,309** | **8,374** |

**#1(b)(ii) In relation to the aggregate amount of the Group's borrowings and debt securities, specify the following at the end of the financial period reported on with comparative figures as at the end of the immediately preceding financial year:**

| | Group | | | |
|---|---|---|---|---|
| | Unaudited as at 31 December 2014 | | Audited as at 31 December 2013 | |
| | Secured $'000 | Unsecured $'000 | Secured $'000 | Unsecured $'000 |
| **Amount repayable in one year or less, or on demand** | | | | |
| Finance lease liabilities | 73 | - | 103 | - |
| Trust receipts | - | 8,479 | - | 7,871 |
| Trade receivable financing | - | 5,233 | - | 9,665 |
| Term loan | - | - | - | 500 |
| Property loan | 407 | - | 406 | - |
| Bank overdrafts | - | 341 | - | - |
| | **480** | **14,053** | **509** | **18,036** |
| **Amount repayable after one year** | | | | |
| Finance lease liabilities | 152 | - | 250 | - |
| Property loan | 5,987 | - | 6,394 | - |
| | **6,139** | **-** | **6,644** | **-** |

**Details of any collateral**

Finance lease liabilities are secured by the financial institutions' titles to the leased assets, which will revert to the financial institutions in the event of default by the Group.

Trust receipts, trade receivable financing and bank overdrafts are unsecured and supported by corporate guarantees provided by the Company or by personal guarantees provided by the two Executive Directors of the Company.

In FY2013, term loan was unsecured and supported by corporate guarantee provided by the Company.

Property loan is secured by the legal mortgage of the Group's leasehold land and building, and is supported by a corporate guarantee provided by the Company.

**#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 | |
|---|---|---|
| | **Unaudited FY2014 $'000** | **Audited FY2013 $'000** |
| **Operating activities** | | |
| Profit/ (Loss) before income tax | 412 | (1,896) |
| | | |
| Adjustments for: | | |
| Amortisation of intangible asset | 92 | 105 |
| (Write-back)/ Allowance for doubtful trade receivables - third parties | (15) | 893 |
| Trade receivables written off - third parties | - | 192 |
| Depreciation of property, plant and equipment | 300 | 309 |
| Gain on disposal of plant and equipment | (22) | - |
| Unrealised foreign exchange loss, net | 78 | - |
| Interest expense | 518 | 512 |
| Interest income | (7) | - |
| Impairment of goodwill | - | 87 |
| ***Operating cash flows before working capital changes*** | **1,356** | **202** |
| | | |
| Working capital changes: | | |
| Inventories | 63 | (1,636) |
| Trade and other receivables | (2,312) | (2,807) |
| Prepayments | (158) | (27) |
| Amount due to a corporate shareholder of the Company | - | (12) |
| Amount due to a director of the Company | 600 | (36) |
| Trade and other payables | (1,490) | 1,604 |
| ***Cash absorbed by operations*** | **(1,941)** | **(2,712)** |
| | | |
| Interest received | 7 | - |
| Interest paid | (518) | (512) |
| Income tax refunded | 201 | - |
| Income tax paid | (23) | (263) |
| ***Net cash used in operating activities*** | **(2,274)** | **(3,487)** |
| | | |
| **Investing activities** | | |
| Proceed from disposal of plant and equipment | 80 | - |
| Purchase of plant and equipment | (104) | (57) |
| Purchase of intangible asset | (2) | (71) |
| Purchase of subsidiary, net of cash acquired | - | (96) |
| ***Net cash used in investing activities*** | **(26)** | **(224)** |
| | | |
| **Financing activities** | | |
| Repayments of finance lease obligations | (164) | (89) |
| Proceeds from bank borrowings | 49,914 | 61,162 |
| Repayments of bank borrowings | (54,768) | (51,286) |
| ***Net cash (used in)/ from financing activities*** | **(5,018)** | **9,787** |
| | | |
| Net change in cash and cash equivalents | (7,318) | 6,076 |
| Cash and cash equivalents at beginning of financial year | 7,232 | 1,156 |
| **Cash and cash equivalents at end of financial year** | **(86)** | **7,232** |

| | Group | |
|---|---|---|
| | Unaudited FY2014 | Audited FY2013 |
| **Cash and cash equivalents** | **$'000** | **$'000** |
| Cash and bank balances | 255 | 7,232 |
| Bank overdrafts | (341) | - |
| **Cash and cash equivalents as per consolidated statements of cash flows** | **(86)** | **7,232** |

**#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.**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

| **Group** | **Share capital** | **Retained earnings** | **Non-controlling interests** | **Total equity attributable to owners of the Company** |
|---|---|---|---|---|
| ***Unaudited:*** | **$'000** | **$'000** | **$'000** | **$'000** |
| **Balance at 1 January 2014** | 9,145 | 5,162 | 29 | 14,336 |
| Profit for the financial year | - | 418 | 2 | 420 |
| ***Total comprehensive income for the financial year*** | - | 418 | 2 | 420 |
| **Balance at 31 December 2014** | **9,145** | **5,580** | **31** | **14,756** |
| ***Audited:*** | | | | |
| **Balance at 1 January 2013** | 9,145 | 7,003 | - | 16,148 |
| Loss for the financial year | - | (1,841) | (63) | (1,904) |
| ***Total comprehensive income for the financial year*** | - | (1,841) | (63) | (1,904) |
| **Contribution by owners:** | | | | |
| Acquisition of subsidiary with non-controlling interests | - | - | 92 | 92 |
| ***Total transactions with owners*** | - | - | 92 | 92 |
| **Balance at 31 December 2013** | **9,145** | **5,162** | **29** | **14,336** |

| Company | Share capital | Accumulated losses | Total equity attributable to owners of the Company |
|---|---|---|---|
| ***Unaudited:*** | **$'000** | **$'000** | **$'000** |
| **Balance at 1 January 2014** | 9,145 | (771) | 8,374 |
| Loss for the financial year | - | (65) | (65) |
| ***Total comprehensive income for the financial year*** | - | (65) | (65) |
| **Balance at 31 December 2014** | **9,145** | **(836)** | **8,309** |
| ***Audited:*** | | | |
| **Balance at 1 January 2013** | 9,145 | (923) | 8,222 |
| Profit for the financial year | - | 152 | 152 |
| ***Total comprehensive income for the financial year*** | - | 152 | 152 |
| **Balance at 31 December 2013** | **9,145** | **(771)** | **8,374** |

**#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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.**

| | Company | |
|---|---|---|
| | Number of shares | Resultant issued and paid-up share capital |
| | **'000** | **$'000** |
| **Issued and paid-up share capital as at 1 January 2014** | **108,000** | **9,145** |
| Sub-division of every 1 share into 2 shares pursuant to share split exercise effected on 8 May 2014 | 108,000 | - |
| **Issued and paid-up share capital as at 30 June 2014** | **216,000** | **9,145** |
| **Issued and paid-up share capital as at 31 December 2014** | **216,000** | **9,145** |

There was no change in the Company's issued and paid-up share capital from 30 June 2014 to 31 December 2014.

The Company has no outstanding convertibles or treasury shares as at 31 December 2014 and 31 December 2013.

**#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 the end of the immediately preceding year.**

| | Company | |
|---|---|---|
| | As at 31 December 2014 | As at 31 December 2013 |
| | '000 | '000 |
| **Total number of shares, excluding treasury shares** | **216,000** | **108,000** |

The Company does not have any treasury shares.

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

Not applicable as the Company does not have any treasury shares.

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

The figures have not been audited or reviewed by the Company's auditors.

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

Except as disclosed in Paragraph #5 below, the Group had applied the same accounting policies and methods of computation in the financial statements for the current financial year as those applied in the Group's most recently audited financial statements for the financial year ended 31 December 2013.

**#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.**

The Group has adopted all the new and revised Singapore Financial Reporting Standards ("**FRSs**") and Interpretations of FRS ("**INT FRS**") that are relevant to its operations and effective for the current financial year. The adoption of these new and revised standards did not result in any changes to the Group's accounting policies and has no material effects on the amounts reported for the current or previous financial years.

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

| | Group | |
|---|---|---|
| | Unaudited FY2014 | Audited FY2013 |
| **Profit/ (Loss) for the financial year attributable to owners of the Company ($'000)** | **418** | **(1,841)** |
| **Weighted average number of ordinary shares in issue ('000)** | **177,534 (1)** | **108,000** |
| **Basic and diluted earnings/ (loss) per share (cents)** | **0.2** | **(1.7)** |

**Footnote:**

(1) Weighted average number of ordinary shares in issue after taking into consideration sub-division of every 1 share into 2 shares pursuant to a share split exercise effected on 8 May 2014.

The calculations for basic earnings/ (loss) per share for the relevant financial years are based on the profit/ (loss) attributable to owners of the company divided by the weighted average number of ordinary shares in issue during the relevant financial years.

The dilutive earnings/ (loss) per share for the relevant financial years are the same as the basic earnings/ (loss) per share as the Group does not have any dilutive options for the relevant years.

**#7. Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

| | Group | | Company | |
|---|---|---|---|---|
| | Unaudited as at 31 December 2014 | Audited as at 31 December 2013 | Unaudited as at 31 December 2014 | Audited as at 31 December 2013 |
| **Net asset value per ordinary share (cents)** | **6.8** | **13.3** | **3.8** | **7.8** |

Net asset value per ordinary share as at 31 December 2014 and 31 December 2013 are calculated based on the aggregate number of ordinary shares of 216,000,000 and 108,000,000 respectively.

**#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.**

## REVIEW OF CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### Revenue

The Group's revenue is largely derived from the supply and installation of timber flooring to its Projects customers (comprising main contractors and retail customers), and the sale of timber products and flooring accessories to its Distribution customers.

The Group recorded a double digit increase in revenue of $7.09 million or 21.5% mainly due to the increase in revenue from the Distribution segment by 143.6% or $7.24 million in FY2014 when compared to FY2013. The increase was partially offset by a marginal decline in revenue from the Projects segment of $0.15 million.

Revenue from Singapore comprised 85.0% of the Group's revenue in FY2014, which were primarily derived from the Project customers as compared to 94.6% in FY2013. The decline in revenue contribution from Singapore in FY2014 is due to growth in overseas distribution customers mainly in China and Myanmar. China contributed 9.3% to the Group's revenue in FY2014 versus 3.2% in FY2013. Myanmar recorded a maiden revenue contribution of S$2.06 million from sales of timbers.

*Revenue from Projects Customers*

Projects from main contractors accounted for 60.6% or $24.30 million of the Group's revenue in FY2014 as compared to 69.0% or $22.77 million in FY2013.

Revenue from retail projects accounted for 8.7% or $3.50 million of the Group's revenue in FY2014, as compared to 15.7% or $5.18 million in FY2013. This was mainly due to less upgrading of units by household owners, resulting in a fall of 32.4% or $1.67 million in the revenue from retail projects in FY2014 as compared to FY2013.

*Revenue from Distribution Customers*

The Distribution segment accounted for 30.6% or $12.27 million of the Group's revenue in FY2014, as compared to 15.3% or $5.04 million in FY2013. The significant increase of 143.6% or $7.24 million in the revenue from the Distribution segment was due to growth in the overseas distribution business following management's decision to expand this business with its established international trading partners and contribution from sales of timbers arising from material contracts to supply timbers between FY2014 and FY2015.

### Gross Profit

Gross profit increased by 32.8% or $1.91 million, from $5.85 million in FY2013 to $7.76 million in FY2014. Gross profit margin improved from 17.7% in FY2013 to 19.4% in FY2014 due to higher gross profit margin earned from both the Projects and Distribution segments of 27.6% and 16.5% respectively in FY2014, as compared to 23.7% and 10.7% respectively in FY2013. The increase in gross profit margin was due to:

1) the Group taking on customers from Projects and Distribution segments which utilised materials that commanded higher value-added pricing;

2) a decrease in cost of timber per revenue dollar from the Projects segment, from 44.2% in FY2013 to 40.5% in FY2014. This was due to a larger decrease of $1.08 million in timber cost compared to the decrease in Projects segment revenue of only $0.15 million in FY2014; and

3) a decrease in subcontract costs from the Projects segment by 12.4% or $0.79 million due to better management of subcontract costs.

### Other Income

Other income increased by 167.3% or $0.25 million, from $0.15 million in FY2013 to $0.39 million in FY2014 due to:

1) grant and incentives from the Singapore government of $0.14 million;

2) staff insurance compensation claim of $0.05 million;

3) an increase in rental income of $0.04 million; and

4) gain on disposal of plant and equipment of $0.02 million.

**Selling and Distribution Expenses**
Selling and distribution expenses decreased by $0.11 million, from $0.18 million in FY2013 to $0.07 million in FY2014. This was due to:
1) a decrease in sales referral commission of $0.06 million;

2) a decrease in sales & marketing costs of $0.03 million; and

3) a decrease in advertising costs of $0.02 million.

**Administrative Expenses**
Administrative expenses increased by 19.8% or $0.83 million, from $4.19 million in FY2013 to $5.02 million in FY2014. This was due mainly to:

1) an increase in staff salaries, bonuses and allowances of $0.22 million;

2) an increase in foreign worker levy of $0.21 million;

3) an increase in staff accommodation expenses of $0.19 million;

4) an increase in lease rental of $0.08 million;

5) an increase in staff welfare of $0.06 million; and

6) an increase in directors' benefits of $0.05 million

**Other Expenses**
Other expenses decreased by 28.8% or $0.87 million, from $3.01 million in FY2013 to $2.14 million in FY2014. This was due mainly to:
1) a decrease in allowance for doubtful trade receivables of $0.91 million, due to collection and reversal of allowance for doubtful trade receivables during the current financial year as compared to allowances for doubtful trade receivables of $0.33 million and $0.26 million provided for Poh Lian Construction (Pte.) Ltd. which was placed under judicial management and Qing Bee Enterprise which was placed under bankruptcy order respectively in FY2013; and

2) a decrease in third parties' trade receivables written off of $0.19 million as there were no receivables written off during the current financial year.

The above decrease was partially offset by the following:
1) an increase in legal and professional fees of $0.17 million incurred in connection with its listing status and the acquisition of Top Creation Investment (HK) Limited; and

2) an increase in donation of $0.11 million as the Group supported more charitable events in FY2014.

**Finance Costs**
Finance costs increased marginally by 1.2% to $0.52 million as compared to $0.51 million in FY2013 despite achieving a 21.5% growth in revenue. The Group utilised more lower cost borrowings from its property loan and more cash to fund its business growth and working capital requirements during FY2014.

**Profit/ (Loss) for the Financial Year**
The Group reported a profit of $0.42 million in FY2014 versus a loss of $1.90 million in FY2013 mainly due to higher gross profit earned from increased revenue.

**REVIEW OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**Assets**
The Group's total assets decreased by 10.0% or $4.99 million from $49.88 million as at 31 December 2013 to $44.89 million as at 31 December 2014. The decrease in total assets was due mainly to a reduction in cash and cash equivalents by $6.98 million to $0.26 million as at 31 December 2014 as the Group utilised more cash to pay down its bank borrowings and fund its business growth and working capital requirements during FY2014. The decrease was offset by an increase in trade and other receivables of $2.37 million to $31.49 million as at 31 December 2013 attributable to higher revenue for FY2014.

**Liabilities**
The Group's total liabilities decreased by 15.2% or $5.41 million from $35.54 million as at 31 December 2013 to $30.14 million as at 31 December 2014. The decrease in total liabilities was due mainly to a reduction in total bank borrowings and trade and other payables of $4.52 million and $1.49 million respectively. Total bank borrowings declined from $25.19 million as at 31 December 2013 to $20.67 million as at 31 December 2014 as the Group paid down its borrowings and utilised more cash to fund its business growth and working capital requirements. Trade and other payables declined from $7.95 million as at 31 December 2013 to $6.46 million as at 31 December 2014 mainly due to reduction in deposits received from customers and lower purchases from local suppliers.

**Total Equity Attributable to Owners of the Company**
Total equity attributable to owners of the Company decreased by $0.42 million from $14.31 million as at 31 December 2014 to $14.73 million as at 31 December 2014 due mainly to the profit attributable to owners of the Company for FY2014.

**REVIEW OF CONSOLIDATED STATEMENT OF CASH FLOWS**

In FY2014, net cash and cash equivalents declined by $7.32 million mainly due to $5.01 million net cash used in financing activities and $2.27 million net cash used in operating activities. Net cash used in financing activities of $5.02 million was attributable to net repayment of bank borrowings as the Group paid down its borrowings and utilised more cash to fund its business growth and working capital requirements. The Group generated positive cash flows of $1.36 million from operation but utilised more cash for its working capital, resulting in a net cash outflow in operating activities of $2.27 million.

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

No forecast or prospect statement has been previously disclosed to shareholders.

**#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 property sector in Singapore remains affected by the cooling measures implemented by the government as well as the impending rise in interest rate. This, coupled with the tough foreign labour market, has placed pressures on the revenue and margins of the Group's core Project segment. Notwithstanding these challenges, the Group remains focus on this core business segment relating to the supply and installation of timber flooring under its "Tech-Wood" brand for main contractor and retail customer projects. The Group will, however, be more selective by undertaking projects that yield better gross profit margins and managing more efficiently its subcontract costs.

The strategy to expand its sales and distribution of timber products and flooring accessories with established international trading partners had yield good results in FY2014. The Group will continue to put resources to expand this Distribution segment.

As part of its diversification strategy to expand beyond Singapore to China and the Asean region, the Group had announced, on 3 December 2014, the proposed acquisition of Top Creation Investment (HK) Limited and its China subsidiaries (collectively "**Top Creation Group**"). Top Creation Group is in the business of wood-plastic composite ("**WPC**") manufacturing and plastic moulding in China. The proposed acquisition will present the Group the opportunity to not only expand further into China but to tap into a lucrative market of using WPC as a more environmentally friendly material for the Group's installation services. The Company will update shareholders as and when there are material developments on the proposed acquisition.

The Group will continue to explore other merger and acquisition opportunities with a view to enhance shareholders' value.

**#11. If a decision regarding dividend has been made:**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended);**

**(b)(i) Amount per share/rate %**

**(b)(ii) Previous corresponding period/rate %**

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

**(d) The date the dividend is payable**

**(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable. No dividend has been declared or recommended for FY2014.

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

No dividend has been declared or recommended for FY2014.

**#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.**

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii).

Save for (i) interested person transactions less than $100,000, (ii) provision of guarantees by the Executive Chairman and CEO of the Group, and the Executive Director of the Company; (iii) advances from the Executive Chairman and CEO of the Group, which are interest-free; and (iv) provision of indemnities by the Executive Chairman and CEO of the Group, and the Executive Director of the Company for security bonds for foreign workers, there were no other interested person transactions entered into by the Group during FY2014.

**#14. Use of Proceeds**

The Board of Directors (the "**Board**") of the Company wishes to provide the following update on the use of proceeds from the initial public offering of the Company's shares on Catalist:

| Use of Net Proceeds | Intended use of Net Proceeds ($'000) | Cumulative amount utilised up to 14 August 2014 (as disclosed in the Half Year 2014 Result Announcement) ($'000) | Net Proceeds utilised since 14 August 2014 up to the date of this announcement ($'000) | Balance of Net Proceeds as at the date of this announcement ($'000) |
|---|---|---|---|---|
| To fund possible acquisitions, joint ventures and/ or strategic alliances when opportunities arise | 500 | (225) | (131) | 144 |
| For general working capital purposes of the Group | 2,420 | (2,420) | - | - |
| | **2,920** | **(2,645)** | **(131)** | **144** |

The Company will continue to make periodic announcements on the use of the balance of the net proceeds as and when the funds are materially disbursed.

**#15. Segmented revenue and results for operating segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**Group**

| **Unaudited FY2014** | **Projects $'000** | **Distribution (1) $'000** | **Unallocated $'000** | **Total $'000** |
|---|---|---|---|---|
| **Revenue** | | | | |
| **- External sales** | **27,805** | **12,275** | **-** | **40,079** |
| **Results** | | | | |
| **Segment results** | **6,021** | **1,740** | **(6,483)** | **1,278** |
| Interest income | | | | 7 |
| Interest expense | | | | (518) |
| Amortisation of intangible asset | | | | (92) |
| Depreciation of property, plant and equipment | | | | (300) |
| ***Other material non-cash items:*** | | | | |
| Write-back allowance for doubtful trade receivables - third parties | | | | 15 |
| Gain on disposal of plant and equipment | | | | 22 |
| **Profit before income tax** | | | | **412** |
| Income tax refund | | | | 8 |
| **Profit for the financial year** | | | | **420** |

| **Audited FY2013** | **Projects $'000** | **Distribution (1) $'000** | **Unallocated $'000** | **Total $'000** |
|---|---|---|---|---|
| **Revenue** | | | | |
| **- External sales** | **27,951** | **5,040** | **-** | **32,991** |
| **Results** | | | | |
| **Segment results** | **5,359** | **486** | **(5,643)** | **202** |
| Interest expense | | | | (512) |
| Impairment of goodwill | | | | (87) |
| Amortisation of intangible asset | | | | (105) |
| Depreciation of property, plant and equipment | | | | (309) |
| ***Other material non-cash items:*** | | | | |
| Allowance for doubtful trade receivables - third parties | | | | (893) |
| Trade receivables written off - third parties | | | | (192) |
| **Loss before income tax** | | | | **(1,896)** |
| Income tax expense | | | | (8) |
| **Loss for the financial year** | | | | **(1,904)** |

**Footnote:**

(1) White Cubic Pte Ltd (a 60% subsidiary of the Company) mainly contributed towards the Group's Distribution segment in FY2014, with segment revenue and results of $3.19 million and $0.86 million respectively; and in FY2013, with segment revenue and result of $1.03 million and $0.13 million respectively.

**Geographical Information**
Revenue information based on the geographical location of customers are as follows:

| Geographical Location | Unaudited FY2014 $'000 | Audited FY2013 $'000 |
|---|---|---|
| Singapore | 34,049 | 31,224 |
| China | 3,746 | 1,054 |
| Myanmar | 2,061 | - |
| USA | 223 | 68 |
| Germany | - | 645 |
| **Total Revenue** | **40,079** | **32,991** |

All non-current assets are located in Singapore.

**#16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to Paragraph #8 above for details.

**#17. A breakdown of sales as follows:**

| Group | Unaudited FY2014 $'000 | Audited FY2013 $'000 | % Increase/ (Decrease) |
|---|---|---|---|
| **First half year:** | | | |
| (a) Revenue | 19,487 | 13,713 | 42.1 |
| (b) Operating profit/ (loss) after tax before deducting non-controlling interests | 81 | (1,869) | 104.3 |
| **Second half year:** | | | |
| (c) Revenue | 20,592 | 19,278 | 6.8 |
| (d) Operating profit/ (loss) after tax before deducting non-controlling interests | 339 | (35) | 1,068.6 |

**#18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

Not applicable. There is no annual dividend for FY2014 and FY2013.

**#19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

| Name | Age | Family relationship with any director and/or substantial shareholder | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year |
|---|---|---|---|---|
| Sim Choon Joo | 56 | Brother of Jason Sim Chon Ang (Executive Chairman and CEO of the Group) | Executive Director of the Company (since 11 June 2014)<br><br>Project Director, Responsible for supervising JPS's current projects and securing new projects for the Group (since 1993)<br><br>Executive Director, JPS (since 1993) | Appointed as Executive Director of the Company on 11 June 2014 |
| New Sze Wei | 40 | Brother-in-law of Jason Sim Chon Ang (Executive Chairman and CEO of the Group) | Operations Director, Responsible for overseeing the operations of the Group, co-ordinating and managing the projects undertaken by the Group, procuring contracts for supply and contract works and overseeing operational staff management and deployment of the Group (since 2005) | None |
| Sim Choon Mua | 51 | Brother of Jason Sim Chon Ang (Executive Chairman and CEO of the Group) and Sim Choon Joo (Executive Director of the Company) | Assistant Project Manager of JPS, foreman role in overseeing and managing the project work on the site (since 1995) | None |

ON BEHALF OF THE BOARD
**JASON HOLDINGS LIMITED**

Jason Sim Chon Ang
Executive Chairman and CEO

27 February 2015