

JADASON ENTERPRISES LTD
(Registration No. 199003898K)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF SGX-ST LISTING MANUAL

Jadason Enterprises Ltd (the 'Company') has been placed on the watch-list with effect from 4 March 2015, pursuant to Rule 1311 of the SGX-ST Listing Manual.

In accordance with Rule 1313(2) of the SGX-ST Listing Manual, the Board of Directors of the Company would like to provide the following quarterly update on the Company, together with its subsidiaries (collectively, the 'Group').

Update on Financial Situation

The Group has released its financial statement for the quarter ended 30 September 2016 on 11 November 2016. Shareholders should refer to the announcement for further details.

At 30 September 2016, the Group had cash and cash equivalents of S\$19.6 million (31 December 2015: S\$32.6 million). Net cash, defined by cash and cash equivalents less bank borrowings and leasing obligations, was S\$9.8 million at 30 September 2016 (31 December 2015: S\$14.0 million). At 30 September 2016, net current assets of the Group amounted to S\$29.0 million (31 December 2015: S\$34.2 million).

Revenue for the quarter ended 30 September 2016 ('3Q 2016') was S\$14.9 million, marginally higher compared with 3Q 2015 revenue of S\$14.7 million. The Group posted a net profit of S\$1.3 million for 3Q 2016, compared with a net loss of S\$19.8 million for 3Q 2015, due mainly to the following factors:

- lower foreign exchange loss, depreciation, selling and administration expenses;
- an impairment loss of S\$14.0 million relating to plant and equipment recognized in 3Q 2015;
- a write-back of allowance for inventory obsolescence of S\$0.4 million in 3Q 2016, compared with an allowance for inventory obsolescence of S\$1.9 million in 3Q 2015; and
- higher level of business activities at the Group's Manufacturing and Support Services business segment.

Update on Future Direction

PCB manufacturers are likely to remain cautious in their capital expenditure programmes given the uncertain global economy and the slow growth in China, and the Group expects a challenging environment for its Equipment and Supplies business.

Based on discussions with customers, the Group's plants in China which are engaged in the provision of manufacturing and support services are expected to see improvement in utilisation rates in the fourth quarter of FY2016, due mainly to the launch of new products.

The Group will continue to review its cost structure, operational efficiency and productivity so as to strengthen its existing core businesses.

Supported by adequate financial resources, the Group will also explore new businesses or opportunities for growth.

By Order of the Board

Fung Chi Wai
Chief Executive Officer
11 November 2016