JASON HOLDINGS LIMITED

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

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER ("FY") 2013

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Canaccord Genuity Singapore Pte. Ltd. for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Canaccord Genuity Singapore Pte. Ltd. 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 FY2013 $'000	**Audited FY2012 $'000**	**% Increase/ (Decrease)**
Revenue	32,991	28,992	13.8
Cost of sales	(27,146)	(21,147)	28.4
Gross profit	5,845	7,845	(25.5)
Other items of income			
Interest income	-	1	(100.0)
Other income	147	109	34.9
Other items of expense			
Selling and distribution expenses	(181)	(30)	503.3
Administrative expenses	(4,185)	(5,174)	(19.1)
Other expenses	(3,010)	(2,027)	48.5
Finance costs	(512)	(497)	3.0
(Loss)/ Profit before income tax	(1,896)	227	(935.2)
Income tax expense	(8)	(130)	(93.8)
(Loss)/ Profit for the financial year, representing total comprehensive income for the financial year	(1,904)	97	NM
(Loss)/ Profit attributable to:			
Owners of the parent	(1,841)	97	NM
Non-controlling Interests	(63)	-	NM

NM = Not meaningful

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

	Group		
	Unaudited FY2013 $'000	**Audited FY2012 $'000**	**% Increase/ (Decrease)**
Other income:			
Rental income	-	(93)	(100.0)
Prior year expenses recovered	(107)	-	NM
Miscellaneous income	(40)	(16)	150.0
	(147)	(109)	34.9
Interest on borrowings:			
Finance lease liabilities	13	16	(18.8)
Trust receipts	217	234	(7.3)
Trade receivable financing	229	141	62.4
Term loans and property loan	41	91	(54.9)
Bank overdrafts	12	15	(20.0)
	512	497	3.0
Depreciation of property, plant and equipment	309	369	(16.3)
Impairment of goodwill	87	-	NM
Amortisation of intangible asset	105	63	66.7
Allowance for doubtful trade receivables - third parties	893	553	61.5
Trade receivables written off - third parties	192	4	NM
Realised foreign exchange loss, net	16	5	220.0

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 2013	**Audited as at 31 December 2012**	**Unaudited as at 31 December 2013**	**Audited as at 31 December 2012**
	$'000	**$'000**	**$'000**	**$'000**
Non-current assets				
Property, plant and equipment	2,575	2,624	-	-
Intangible asset	145	180	-	-
Investment in subsidiaries	-	-	5,588	5,363
	2,720	2,804	5,588	5,363
Current assets				
Inventories	10,599	8,874	-	-
Trade and other receivables	29,114	27,200	2,754	2,334
Prepayments	43	2	30	-
Cash and cash equivalents	7,232	1,279	38	611
	46,988	37,355	2,822	2,945
Less:				
Current liabilities				
Trade and other payables	7,953	5,996	5	86
Amount due to a corporate shareholder	1,313	1,325	-	-
Amount due to a director	1,072	1,108	-	-
Interest-bearing liabilities	18,545	14,051	-	-
Current income tax (credit)/ payable	(170)	85	31	-
	28,713	22,565	36	86
Net current assets	18,275	14,790	2,786	2,859
Less:				
Non-current liabilities				
Interest-bearing liabilities	6,644	1,431	-	-
Deferred tax liabilities	15	15	-	-
	6,659	1,446	-	-
Net assets	14,336	16,148	8,374	8,222
Capital and reserves				
Share capital	9,145	9,145	9,145	9,145
Retained earnings/ (Accumulated losses)	5,162	7,003	(771)	(923)
Equity attributable to owners of the parent/ Company	14,307	16,148	8,374	8,222
Non-controlling interests	29	-	-	-
Total equity	14,336	16,148	8,374	8,222

#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 2013		Audited as at 31 December 2012	
	Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
Amount repayable in one year or less, or on demand				
Finance lease liabilities	103	-	82	-
Trust receipts	7,871	-	6,618	-
Trade receivable financing	9,665	-	6,419	-
Term loans		500	-	682
Property loan	406	-	127	-
Bank overdrafts	-	-	123	-
	18,045	500	13,369	682
Amount repayable after one year				
Finance lease liabilities	250	-	316	-
Property loan	6,394	-	1,115	-
	6,644	-	1,431	-

Details of any collateral

On the above borrowings (including finance leases):

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

Trust receipts, trade receivable financing and bank overdrafts which are secured are supported by personal guarantees given by Jason Sim Chon Ang, who is Executive Chairman and CEO of the Group, and Sim Choon Joo, who is a director of Jason Parquet Specialist (Singapore) Pte Ltd (a wholly-owned subsidiary of the Company), or by corporate guarantees given by the Company.

Certain term loans which are unsecured are supported by personal guarantees given by Jason Sim Chon Ang and Sim Choon Joo (as at 31 December 2012), or by corporate guarantee given by the Company (as at 31 December 2013).

Property loan is secured by the legal mortgage of the Group's leasehold land and building and supported by joint and several personal guarantees from Jason Sim Chon Ang and Sim Choon Joo (as at 31 December 2012), or by corporate guarantee given by the Company (as at 31 December 2013).

#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 FY2013 $'000	**Audited FY2012 $'000**
Operating activities		
(Loss)/ Profit before income tax	(1,896)	227
Adjustments for:		
Impairment of goodwill	87	-
Amortisation of intangible asset	105	63
Allowance for doubtful trade receivables - third parties	893	553
Trade receivables written off - third parties	192	4
Depreciation of property, plant and equipment	309	369
Interest expense	512	497
Interest income	-	(1)
Operating cash flows before working capital changes	202	1,712
Working capital changes:		
Inventories	(1,636)	142
Trade and other receivables	(2,807)	(5,617)
Prepayments	(27)	415
Amount due to corporate shareholders	(12)	(90)
Amount due to a director	(36)	(16)
Trade and other payables	1,604	(2,748)
Cash absorbed by operations	(2,712)	(6,202)
Interest received	-	1
Interest paid	(512)	(497)
Income tax paid	(263)	(560)
Net cash used in operating activities	(3,487)	(7,258)
Investing activities		
Purchase of plant and equipment	(57)	(49)
Proceed from disposal of intangible asset	18	-
Purchase of intangible asset	(89)	(133)
Purchase of subsidiary, net of cash acquired	(96)	-
Net cash used in investing activities	(224)	(182)
Financing activities		
Repayments of finance lease obligations	(89)	(103)
Proceeds from issuance of shares	-	4,050
Proceeds from bank borrowings	61,162	41,139
Repayments of bank borrowings	(51,286)	(38,741)
Share issue expenses	-	(268)
Net cash from financing activities	9,787	6,077
Net change in cash and cash equivalents	6,076	(1,363)
Cash and cash equivalents at beginning of financial year	1,156	2,519
Cash and cash equivalents at end of financial year	7,232	1,156

Cash and cash equivalents	Group Unaudited FY2013 $'000	 Audited 2012 $'000
Cash and bank balances	7,232	1,279
Fixed deposit with bank	-	-
Cash and cash equivalents as per consolidated statements of financial position	7,232	1,279
Bank overdrafts	-	(123)
Cash and cash equivalents as per consolidated statements of cash flows	7,232	1,156

#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 ***Unaudited:***	**Share capital $'000**	**Retained earnings $'000**	**Non-controlling interests $'000**	**Total equity attributable to owners of the parent $'000**
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 of the parent:				
Acquisition of subsidiary	-	-	92	92
Total transactions with owners of the parent	-	-	92	92
Balance at 31 December 2013	**9,145**	**5,162**	**29**	**14,336**
Audited:				
Balance at 1 January 2012	5,363	6,906	-	12,269
Profit for the financial year	-	97	-	97
Total comprehensive income for the financial year	-	97	-	97
Contribution by owners of the parent:				
Issuance of shares in connection with the Company's initial public offering	4,050	-	-	4,050
Share issue expenses	(268)	-	-	(268)
Total transactions with owners of the parent	3,782	-	-	3,782
Balance at 31 December 2012	**9,145**	**7,003**	**-**	**16,148**

Company	Share capital	Accumulated losses	Non-controlling interests	Total equity attributable to owners of the Company
Unaudited:	**$'000**	**$'000**	**$'000**	**$'000**
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)**	**-**	**8,262**
Audited:				
Balance at 12 August 2011	- (1)	-	-	- (1)
Loss for the financial period	-	(923)	-	(923)
Total comprehensive income for the financial period	-	(923)	-	(923)
Contribution by owners of the Company:				
Issuance of shares for restructuring exercise	5,363	-	-	5,363
Issuance of shares in connection with the Company's initial public offering	4,050	-	-	4,050
Share issue expenses	(268)	-	-	(268)
Total transactions with owners of the Company	9,145	-	-	9,145
Balance at 31 December 2012	**9,145**	**(923)**	**-**	**8,222**

Footnote:
(1) 1 share of $1 paid-up share capital was issued for incorporation of the Company on 12 August 2011.

#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 2013 and 31 December 2013	108,000	9,145

There was no change in the Company's issued and paid-up share capital from 1 January 2013 to 31 December 2013.

The Company has no outstanding convertibles or treasury shares as at 31 December 2013 and 31 December 2012.

#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 2013	**As at 31 December 2012**
	'000	**'000**
Total number of shares, excluding treasury shares	108,000	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 2012.

#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 annual periods beginning on or after 1 January 2013, where applicable. The adoption of these standards from the effective date is not expected to result in material adjustments to the financial position, results of operations or cash flows of the Group for FY2013.

#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 FY2013	**Audited FY2012**
(Loss)/ Profit for the financial year attributable to owners of the parent ($'000)	(1,841)	97
Aggregated actual/weighted number of ordinary shares during the financial year applicable to basic and diluted earnings per share ('000)	108,000	94,820(1)
Basic and diluted earnings per share (cents)	(1.7)	0.1

Footnote:

(1) Assuming the issuance of shares pursuant to the restructuring exercise as set out in the Company's offer document dated 13 September 2012 had taken place as at 1 January 2012 and based on the listing of 18,000,000 new shares on 25 September 2012.

The calculations for basic earnings per share for the relevant financial years are based on the loss/ profit attributable to owners of the parent for the financial years ended 31 December 2013 and 2012 divided by the actual/ weighted number of ordinary shares in the relevant years.

The dilutive earnings per share for the relevant financial years are the same as the basic earnings 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 2013	Audited as at 31 December 2012	Unaudited as at 31 December 2013	Audited as at 31 December 2012
Net Asset Value (NAV) per ordinary share (cents)	13.3	15.0	7.8	7.6

NAV per ordinary share as at 31 December 2013 and 31 December 2012 are calculated based on the aggregate number of ordinary shares of 108,000,000.

#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.

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 (i) Projects customers (comprising main contractors and retail customers), and the sale of timber products and flooring accessories to its (ii) Distribution customers.

Although the Singapore government continues to introduce property cooling measures and the global economic outlook remains uncertain, the Group recorded a double digit increase in revenue of 13.8% or $4.00 million in FY2013 as compared to FY2012. The increase in revenue in FY2013 was mainly contributed by the increase in revenue contribution from Projects and Distribution segments by 7.3% or $1.90 million and 71.5% or $2.10 million, respectively.

Revenue from Projects

Projects from main contractors accounted for 69.0% or $22.77 million of the Group's revenue in FY2013 as compared to 77.7% or $22.54 million in FY2012.

Revenue from retail projects accounted for 15.7% or $5.18 million of the Group's revenue in FY2013, compared to 12.1% or $3.51 million in FY2012. This was due mainly to more household owners continued the trend of upgrading their existing units, resulting in growth of 47.4% or $1.67 million in the revenue from retail projects in FY2013 as compared to FY2012.

Revenue from Distribution

The Distribution segment accounted for 15.3% or $5.04 million of the Group's revenue in FY2013, compared to 10.1% or $2.94 million in FY2012. This growth of 71.5% or $2.10 million in the revenue from Distribution was partly due to the management's decision to expand its overseas distribution business with its established international trading partners.

Gross Profit

Gross profit decreased by 25.5% or $2.00 million, from $7.85 million in FY2012 to $5.85 million in FY2013. This represented a decrease in gross profit margin from 27.1% in FY2012 to 17.7% in FY2013. This 9.4 percentage point decrease in gross profit margin was due mainly to higher cost of sales, as a result of:

1) an increase in subcontract costs for the Projects segment and cost of timber materials for the Distribution segment by 72.6% or $2.68 million and 67.9% or $1.84 million, respectively. The increase in subcontract costs was mainly due to:
   (i) an increase in the Group's utilisation of subcontractors for the provision of installation services, as the Group experienced foreign labour shortages as a result of government measures on foreign labour; and
   (ii) an increase in the subcontractor charges for work done of the same scope and nature as compared to FY2012;
2) the Group taking up more projects in the mass market, which commanded a lower gross profit margin (such as HDB projects), as well as a larger portion of projects that utilised materials, which commanded lower value added pricing (such as teak, which is common in this region); and
3) an increase in revenue contribution of the Distribution segment, which commanded lower gross profit margin as compared to the Projects segment, from 10.1% to 15.3% of the Group's overall revenue. Although the gross profit margin from the Distribution segment of 10.7% in FY2013 is higher than 8.3% achieved in FY2012, this was still significantly lower than the gross profit margin from the Projects segment of 23.7% in FY2013 and 41.3% in FY2012.

Other Income
Other income increased by 34.9% or $0.04 million, from $0.11 million in FY2012 to $0.15 million in FY2013 due mainly to the recovery of certain prior year expenses. This was offset by the loss of rental income as the Group ceased the leased space at Tampines Street 92 with its sub-tenant since August 2012 for its business expansion purposes.

Selling and Distribution Expenses
Selling and distribution expenses increased by $0.15 million, from $0.03 million in FY2012 to $0.18 million in FY2013. This was due mainly to:
1) an increase in sales referral commission of $0.08 million;
2) an increase in advertising costs of $0.04 million; and
3) an increase in sales & marketing costs of $0.03 million.

Administrative Expenses
Excluding the one-off IPO expenses of $0.95 million in FY2012, administrative expenses remained relatively stable at $4.19 million and $4.22 million in FY2013 and FY2012 respectively.

Other Expenses
Other expenses increased by 48.5% or $0.98 million, from $2.03 million in FY2012 to $3.01 million in FY2013. This was due mainly to:
1) the allowance for doubtful trade receivables of $0.33 million from Poh Lian Construction (Pte.) Ltd. which was placed under judicial management on 7 March 2013, in respect of work done in the first quarter of 2013, and $0.26 million from Qing Bee Enterprise which was placed under bankruptcy order on 11 April 2013;
2) third parties trade receivables written off of $0.19 million;
3) an increase in legal and professional fees of $0.11 million incurred in connection with it being a listed company;
4) an increase in amortisation of goodwill of $0.09 million, in relation to the goodwill on consolidation of a subsidiary business; and
5) an increase in travelling expenses of $0.08 million in respect of more overseas business trips taken by the management to explore business opportunities and expand the Group's geographical coverage into the regions.

The above was partially offset by a decrease in depreciation of property, plant and equipment of $0.06 million as a number of fixed assets items have been fully depreciated during FY2013.

Finance Costs

Finance costs remained largely unchanged despite achieving a 13.8% growth in revenue. This was due mainly to:

1) a decrease in property and short-term loan interest of $0.05 million as outstanding property loan and short-term loans have been either paid down or fully repaid during FY2013; and
2) a decrease in trade financing interest of $0.02 million.

The above was partially offset by an increase in trade receivable financing interest of $0.09 million as the Group utilised more trade receivable financing facilities to support its growth in revenue.

(Loss)/ Profit Before Income Tax

Profit before income tax decreased by $2.13 million, from a profit of $0.23 million in FY2012 to a loss of $1.90 million in FY2013, due mainly to:

1) lower gross profit and gross profit margin, and higher selling and distribution expenses, finance costs and other expenses, partially offset by an increase in other income and a decrease in administrative expenses; and
2) slower than expected work progresses at existing project sites and delays in commencement of a number of scheduled-to-start projects, resulting in an increase in cost of sales which lower the Company's contracted project revenue margins.

Income Tax Expense

Income tax expense decreased by 93.8% or $0.12 million, from $0.13 million in FY2012 to $0.01 million in FY2013, due mainly to the Group's loss position.

REVIEW OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

The Group's total assets increased by 24.0% or $9.64 million from $40.16 million as at 31 December 2012 to $49.80 million as at 31 December 2013. The increase in total assets was due mainly to:

1) an increase in cash and cash equivalents by $5.95 million to $7.23 million as at 31 December 2013, as a result of the Group refinancing its mortgage loan with a bank for a higher working capital loan for the Group's operating activities in December 2013;
2) an increase in inventories by $1.73 million to $10.60 million as at 31 December 2013, as inventories are held on hand in accumulation due to delays in commencement of a number of scheduled-to-start project sites as well as in preparation for new projects scheduled to commence in early 2014; and
3) an increase in trade and other receivables by $1.91 million to $29.11 million as at 31 December 2013, which comprised:
   (i) an increase in accrued income of $1.92 million
   (ii) an increase in third parties trade receivables of $1.02 million; and
   (iii) an increase in other receivables of $0.44 million.

   The above was partially offset by the following:
   (i) a decrease in project retention sum of $0.78 million as a number of projects have fulfilled its Defect Liability Period (DLP) and completed its final settlement account; and
   (ii) an increase in allowance for doubtful trade receivables of $0.69 million mainly in respect of work done for Poh Lian in the first quarter of 2013 and materials supplied to Qing Bee Enterprise which was placed under bankruptcy order on 11 April 2013.

The increase in total assets was partially offset by the following:

1) a decrease of $0.05 million in property, plant and equipment due to depreciation of certain assets; and
2) a decrease in intangible asset of $0.04 million due to amortisation of that asset.

Liabilities

The Group's total liabilities increased by 47.3% or $11.36 million from $24.01 million as at 31 December 2012 to $35.37 million as at 31 December 2013. The increase in total liabilities was due mainly to:

1) an increase in trade and other payables of $1.96 million to $7.95 million as at 31 December 2013, which comprised:
   (i) an increase in trade payables of $1.59 million as a result of the increased in purchases from suppliers; and
   (ii) an increase in other payables of $0.37 million as a result of the increased deposits received from customers.

2) an increase in interest-bearing liabilities of $9.71 million to $25.19 million as at 31 December 2013, which comprised:
   (i) an increase in property loan of $5.56 million as the Group refinanced its mortgage loan with a bank for a higher working capital loan for the Group's operating activities; and
   (ii) an increase in trade receivable financing and trade financing of $3.25 million and $1.25 million respectively as the Group utilised its trade facilities with the banks to pay its trade payables and purchases.

   The above was partially offset by the following:
   (i) a decrease in short-term loans of $0.18 million due to the repayment of outstanding short-term loans;
   (ii) a decrease in bank overdraft of $0.12 million as the Group switched to the lower interest short-term revolving loan facility with a bank; and
   (iii) a decrease in finance lease liabilities by $0.05 million due to net repayment of outstanding finance lease liabilities.

The increase in total liabilities was partially offset by the following:

1) a decrease in current income tax payable of $0.26 million mainly due to certain overpayment of monthly tax instalment payments to IRAS;

2) a decrease in amount due to a director of $0.04 million; and

3) a decrease in amount due to a corporate shareholder of $0.01 million.

Total equity attributable to owners of the parent

Total equity attributable to owners of the parent (holding company of the Group) decreased by $1.84 million from $16.15 million as at 31 December 2012 to $14.31 million as at 31 December 2013 due mainly to the loss attributable to owners of the parent for FY2013.

REVIEW OF CONSOLIDATED STATEMENT OF CASH FLOWS

Operating activities

In FY2013, the Group generated positive operating cash flows before working capital changes of $0.20 million. Net cash absorbed by operations for working capital changes amounted to $2.71 million. This was due mainly to:

1) an increase in inventories of $1.64 million as inventories are held on hand in accumulation due to delays in commencement of a number of scheduled-to-start project sites as well as in preparation for new projects scheduled to commence in early 2014;

2) an increase in trade and other receivables (before allowance for doubtful trade receivables) of $2.81 million; and

3) a decrease in amount due to a director of $0.04 million.

The above was partially offset by an increase in trade and other payables of $1.60 million.

In FY2013, the Group paid income tax of $0.26 million and interest of $0.51 million. The net cash used in operating activities amounted to $3.49 million.

Investing activities
Net cash used in investing activities of $0.22 million was due mainly to:
1) purchase of a subsidiary (net of cash acquired) of $0.10 million;
2) net purchase of an intangible asset in relation to an enterprise resource planning software for the Group's inventory management system of $0.07 million; and
3) purchases of plant and equipment of $0.06 million.

Financing activities
Net cash generated from financing activities of $9.79 million was due mainly to net proceeds from bank borrowings of $9.88 million, partially offset by repayments of finance lease obligations of $0.09 million.

Cash and cash equivalents
As a result of the above, there was a net increase of $6.08 million in the Group's cash and cash equivalents as per consolidated statement of cash flows, from $1.15 million as at 1 January 2013 to $7.23 million as at 31 December 2013.

#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 Group expects the property construction sector in Singapore to remain challenging and competitive, in view of the present global economic outlook as well as the sweeping measures to cool the property market introduced by the government such as (i) raising stamp duties; (ii) limiting housing loans for buyers announced in January 2013; and (iii) the introduction of Total Debt Servicing Ratio (TDSR) framework for property loans in June 2013.

Further to the above, the continuing staggered increases in foreign worker levies, reductions in man-year-entitlement and changes in renewal criteria for the different foreign worker passes introduced by the government will continue to result in increases in the Group's labour and sub-contracting costs.

Although the Group will continue to focus on its core business segment which is the supply and installation of a comprehensive range of timber flooring under its "Tech-Wood" brand for main contractor and retail customer projects, it will expand its sales and distribution of timber products and flooring accessories, both locally and in the region.

The Group has identified China and the ASEAN region as important potential markets for future expansion plans, and it will continue to explore opportunities such as investments, acquisitions and/ or joint ventures that may further expand its presence both locally and in the region 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 FY2013.

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

No dividend has been declared or recommended for FY2013.

#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) provision of guarantees by Jason Sim Chon Ang, Executive Chairman and CEO of the Group, and his associate, Sim Choon Joo; (ii) advances from Jason Sim Chon Ang, Executive Chairman and CEO of the Group, which are interest-free; and (iii) provision of indemnities by Jason Sim Chon Ang, Executive Chairman and CEO of the Group, and his associate, Sim Choon Joo, for security bonds for foreign workers (further details of the interested person transactions are set out in the Company's offer document dated 13 September 2012), there were no other interested person transactions entered into by the Group during FY2013.

#14. Use of Proceeds

The Board of Directors (the "**Board**") of the Company refers to the Company's announcement dated 17 July 2013 in relation to the update on the use of proceeds from the initial public offering of the Company's shares on Catalist.

The Board wishes to inform its Shareholders that there is no change to the balance of the net proceeds of $275,000 as announced on 17 July 2013.

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 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 FY2013, with segment revenue and result of $1.03 million and $0.13 million respectively.

Audited FY2012				
Revenue				
- External sales	26,054	2,938	-	28,992
Results				
Segment results	7,619	226	(6,133)	1,712
Interest income				1
Interest expense				(497)
Amortisation of intangible asset				(63)
Depreciation of property, plant and equipment				(369)
Other material non-cash items:				
Allowance for doubtful trade receivables - third parties				(553)
Trade receivables written off - third parties				(4)
Profit before income tax				227
Income tax expense				(130)
Profit for the financial year				97

The Group operates mainly in Singapore with revenue generated in the Singaporean market. Accordingly, an analysis of assets and profits of the Group by geographical distribution has not been included.

#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 FY2013 $'000	Audited FY2012 $'000	% Increase/ (Decrease)
First half year:			
(a) Revenue	13,713	12,809	7.1
(b) Operating (loss)/profit after tax before deducting non-controlling interests	(1,869)	362	(616.3)
Second half year:			
(c) Revenue	19,278	16,183	19.1
(d) Operating loss after tax before deducting non-controlling interests	(35)	(265)	(86.8)

#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 FY2013 and FY2012.

#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	55	Brother of Jason Sim Chon Ang (Executive Chairman and CEO of the Group)	Project Director, Responsible for supervising JPS's current projects and securing new projects for the Group (since 1993) Executive Director, JPS (since 1993)	None
New Sze Wei	37	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	50	Brother of Jason Sim Chon Ang (Executive Chairman and CEO of the Group)	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

28 February 2014