

JADASON ENTERPRISES LTD (REG. NO. 199003898K)**Financial Statement And Dividend Announcement for the Second Quarter and Six Months Ended 30 June 2015****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL-YEAR RESULTS****1(a) An income statement and statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Unaudited Income Statement of the Group for the quarter ended 30 June 2015 ("2Q 2015") and the six months period ended 30 June 2015 ("YTD 2015"):

	S\$'000		%	S\$'000		%
	2Q 2015	2Q 2014	Increase/ (Decrease)	YTD 2015	YTD 2014	Increase/ (Decrease)
Revenue	20,003	20,011	0	35,604	39,271	(9)
Cost of sales	<u>(18,601)</u>	<u>(15,826)</u>	18	<u>(33,882)</u>	<u>(31,862)</u>	6
Gross profit	1,402	4,185	(66)	1,722	7,409	(77)
Other income (Note 1)	433	617	(30)	486	597	(19)
Selling and distribution expenses	(489)	(517)	(5)	(901)	(1,001)	(10)
Administrative expenses	<u>(3,093)</u>	<u>(3,469)</u>	(11)	<u>(6,258)</u>	<u>(6,749)</u>	(7)
(Loss)/profit from operations	(1,747)	816	NM	(4,951)	256	NM
Finance cost	(156)	(185)	(16)	(308)	(370)	(17)
Share of loss of associate	<u>_(71)</u>	<u>_(45)</u>	58	<u>_(103)</u>	<u>_(73)</u>	41
(Loss)/profit before income tax	(1,974)	586	NM	(5,362)	(187)	2,767
Income tax (Note 2)	<u>_(130)</u>	<u>_(462)</u>	(72)	<u>_(149)</u>	<u>_(673)</u>	(78)
(Loss)/profit after income tax	<u>(2,104)</u>	<u>124</u>	NM	<u>(5,511)</u>	<u>(860)</u>	541
Attributable to: Equity holders of the Company	<u>(2,104)</u>	<u>124</u>	NM	<u>(5,511)</u>	<u>(860)</u>	541

(Loss)/profit for the period is arrived at after crediting/(charging) the following:

	S\$'000		%	S\$'000		%
	2Q 2015	2Q 2014	Increase/ (Decrease)	YTD 2015	YTD 2014	Increase/ (Decrease)
Foreign exchange gain/(loss)	94	54	74	(182)	(381)	(52)
Depreciation of property, plant and equipment	(1,790)	(1,897)	(6)	(3,742)	(3,884)	(4)
Profit on sale of plant and equipment	-	-	-	-	1	(100)
Write-off of plant and equipment	-	-	-	-	(31)	(100)

Notes to Income Statement:

Note 1

The decrease in other income in 2Q 2015 was due mainly to lower interest income and sales of scrap materials.

Note 2

An income tax charge arose in 2Q 2015 in spite of the loss before income tax as certain subsidiaries within the Group were profitable, and that losses incurred by certain entities could not be offset against the profits of other subsidiaries for income tax purposes. The effective tax rate in 2Q 2014 was high due to the same reasons.

NM – Percentage changes are not meaningful.

Please refer to Section 8 of this report for a more detailed discussion on the performance of the Group's operating segments.

Unaudited statement of comprehensive income of the Group for the quarter and six months period ended 30 June 2015:

	2Q 2015	2Q 2014	Increase/ (Decrease)	YTD 2015	YTD 2014	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(Loss)/profit after income tax for the period	(2,104)	124	NM	(5,511)	(860)	541
Other comprehensive income:						
Exchange differences on translating foreign operations	(2,226)	(967)	130	1,611	(3,758)	NM
	(2,226)	(967)		1,611	(3,758)	
Total comprehensive income for the period	(4,330)	(843)	414	(3,900)	(4,618)	(16)
Total comprehensive income attributable to:						
Equity holders of the Company	(4,330)	(843)	414	(3,900)	(4,618)	(16)

1(b)(i) A statement of financial positions (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Financial positions as at 30 June 2015 and 31 December 2014:

	Group		Company	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and bank balances (Note 1)	13,656	12,151	1,279	2,580
Bank deposits (Note 1)	28,102	23,249	-	-
Inventories	9,524	9,640	1,422	1,426
Trade receivables (Note 2)	27,937	26,838	2,080	2,738
Bills receivables (Note 3)	9,035	14,929	-	-
Other receivables and prepayments (Note 3)	2,462	3,337	374	119
Amounts due from Subsidiaries	-	-	3,134	2,981
Total	90,716	90,144	8,289	9,844
Non-current assets:				
Property, plant and equipment (Note 4)	35,478	37,408	213	263
Subsidiaries	-	-	62,708	62,708
Total	35,478	37,408	62,921	62,971
TOTAL ASSETS	126,194	127,552	71,210	72,815

	Group		Company	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
LIABILITIES & EQUITY				
Current liabilities:				
Bank loans (Note 5)	16,634	23,172	4,489	4,769
Trust receipts	2,397	3,587	2,397	2,305
Trade payables (Note 6)	18,401	14,460	1,861	4,359
Other payables	3,604	3,801	230	543
Income tax payable	166	81	-	-
Finance leases	14	14	13	13
Amounts due to subsidiaries	-	-	420	4,582
Total	41,216	45,115	9,410	16,571
Non-current liabilities:				
Finance leases	28	35	27	34
Bank loans (Note 5)	6,504	-	6,504	-
Deferred income tax	524	524	16	16
Provision for long service payment	579	635	-	-
Total	7,635	1,194	6,547	50
Capital & reserves:				
Share capital	50,197	50,197	50,197	50,197
Share option reserve	1,280	1,280	1,280	1,280
Treasury shares	(307)	(307)	(307)	(307)
Translation reserve	1,147	(464)	(79)	(80)
Reserve and Enterprise Expansion Funds (Note 7)	6,063	6,005	-	-
Accumulated profits	<u>18,963</u>	<u>24,532</u>	<u>4,162</u>	<u>5,104</u>
Total	77,343	81,243	55,253	56,194
TOTAL LIABILITIES AND EQUITY	126,194	127,552	71,210	72,815

Notes:

Note 1

Please refer to the statement of cash flows of the Group, found in Section 1(c) of this report.

Note 2

The increase in trade receivables of the Group was due mainly to sales of equipment during the quarter under review.

Note 3

The decreases in bills and other receivables were due mainly to payments received by the Group during the period under review.

Note 4

The decrease in property, plant and equipment was due mainly to depreciation charge, offset partially by the acquisition of equipment for use in the Group's manufacturing and support services business and the effects of translating the financial statements of foreign subsidiaries into Singapore dollars.

Note 5

During the period under review, the Group repaid bank loans totaling S\$9.1 million and obtained new loans of S\$9.1 million.

Note 6

The increase in trade payables of the Group was due mainly to purchases of equipment (for sale) during the period under review.

Note 7

Reserve and Enterprise Expansion Funds pertain to subsidiaries in China, and are appropriations of profits made in accordance with applicable laws and regulations.

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 Jun 2015		As at 31 Dec 2014	
Secured	Unsecured	Secured	Unsecured
\$14,000	\$19,031,000	\$14,000	\$26,759,000

Amount repayable after one year

As at 30 Jun 2015		As at 31 Dec 2014	
Secured	Unsecured	Secured	Unsecured
\$28,000	\$6,504,000	\$35,000	-

Details of any collateral

Plant and equipment of the Group with net book values of \$84,000 (31 December 2014: \$95,000) are acquired under finance leases.

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.

	2Q 2015	2Q 2014	YTD 2015	YTD 2014
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities:				
(Loss)/profit before income tax	(1,974)	586	(5,362)	(187)
Adjustments for:				
Depreciation of property, plant and equipment	1,790	1,897	3,742	3,884
Interest expense	156	185	308	370
Interest income	(226)	(304)	(506)	(619)
Profit on disposal of plant and equipment	-	-	-	(1)
Write-off of plant and equipment	-	-	-	31
Share of loss of associate	71	45	103	73
Operating (loss)/profit before working capital changes	(183)	2,409	(1,715)	3,551
Trade receivables	(3,431)	941	(1,099)	15,721
Bill receivables	2,006	(1,697)	5,894	(7,783)
Other receivables	349	192	772	1,830
Inventories	415	820	116	943
Trade payables	3,425	(7,407)	3,941	(16,041)
Trust receipts	(245)	(107)	(1,190)	426
Other payables	(269)	(313)	(197)	(1,255)
Cash from/(used in) operations	2,067	(5,162)	6,522	(2,608)
Interest paid	(156)	(185)	(308)	(370)
Interest received	226	304	506	619
Income tax paid	(40)	(168)	(64)	(438)
Net cash from/(used in) operating activities	2,097	(5,211)	6,656	(2,797)
Cash flows used in investing activities:				
Purchase of plant and equipment	(49)	(195)	(1,086)	(2,398)
Proceeds from disposal of plant and equipment	-	3	-	9
Net cash used in investing activities	(49)	(192)	(1,086)	(2,389)
Cash flows from financing activities:				
Proceeds from loans	-	2,093	9,085	3,625
Repayment of loans	(5,523)	(5,108)	(9,119)	(7,518)
Repayment of finance leases	(4)	(34)	(7)	(68)
Net cash used in financing activities	(5,527)	(3,049)	(41)	(3,961)
Net (decrease)/increase in cash and cash equivalents	(3,479)	(8,452)	5,529	(9,147)
Cash and cash equivalents at beginning of period	46,573	43,867	35,400	46,129
Effects of exchange rate changes	(1,336)	(554)	829	(2,121)
Cash and cash equivalents at end of period	41,758	34,861	41,758	34,861

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.

	Share Capital	Treasury Shares	Share Option Reserve	Translation Reserve	Surplus Reserve #	Accumulated Profits	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
GROUP							
2015							
Balance at 1 January 2015	50,197	(307)	1,280	(464)	6,005	24,532	81,243
Loss for the period	-	-	-	-	-	(3,407)	(3,407)
Transfer to Surplus Reserve	-	-	-	-	58	(58)	-
Currency translation gain	-	-	-	3,837	-	-	3,837
Balance at 31 March 2015	50,197	(307)	1,280	3,373	6,063	21,067	81,673
Loss for the period	-	-	-	-	-	(2,104)	(2,104)
Currency translation loss	-	-	-	(2,226)	-	-	(2,226)
Balance at 30 June 2015	50,197	(307)	1,280	1,147	6,063	18,963	77,343
2014							
Balance at 1 January 2014	50,197	(307)	1,280	(1,825)	6,005	33,455	88,805
Loss for the period	-	-	-	-	-	(984)	(984)
Currency translation loss	-	-	-	(2,791)	-	-	(2,791)
Balance at 31 March 2014	50,197	(307)	1,280	(4,616)	6,005	32,471	85,030
Profit for the period	-	-	-	-	-	124	124
Currency translation loss	-	-	-	(967)	-	-	(967)
Balance at 30 June 2014	50,197	(307)	1,280	(5,583)	6,005	32,595	84,187
COMPANY							
2015							
Balance at 1 January 2015	50,197	(307)	1,280	(80)	-	5,104	56,194
Loss for the period	-	-	-	-	-	(536)	(536)
Currency translation gain	-	-	-	2	-	-	2
Balance at 31 March 2015	50,197	(307)	1,280	(78)	-	4,568	55,660
Loss for the period	-	-	-	-	-	(406)	(406)
Currency translation loss	-	-	-	(1)	-	-	(1)
Balance at 30 June 2015	50,197	(307)	1,280	(79)	-	4,162	55,253
2014							
Balance at 1 January 2014	50,197	(307)	1,280	(77)	-	8,797	59,890
Loss for the period	-	-	-	-	-	(362)	(362)
Currency translation loss	-	-	-	(4)	-	-	(4)
Balance at 31 March 2014	50,197	(307)	1,280	(81)	-	8,435	59,524
Loss for the period	-	-	-	-	-	(480)	(480)
Currency translation gain	-	-	-	1	-	-	1
Balance at 30 June 2014	50,197	(307)	1,280	(80)	-	7,955	59,045

Surplus Reserve refers to Reserve Fund and Enterprise Expansion Fund (Note 7 of Section 1(b)(i)).

- 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.**

There was no change in the share capital of the company during the quarter ended 30 June 2015.

As at 30 June 2015, there were unexercised options for 16,300,000 (30 June 2014: 17,000,000) unissued ordinary shares under the Jadason Share Option Scheme 2000. During the quarter ended 30 June 2015, 200,000 options were cancelled. As disclosed previously, 500,000 options were cancelled during the year ended 31 December 2014.

As at 30 June 2015, there were 3,670,000 (30 June 2014: 3,670,000) shares held in treasury. (See also Section 1(d)(iv) below.)

- 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.**

The total number of issued shares (excluding treasury shares) as at 30 June 2015 was 722,395,000 (31 December 2014: 722,395,000).

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

At 1 January 2015 and 30 June 2015	(3,670,000)
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- 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.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the year ended 31 December 2014 except as described in Section 5 below.

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 the new and revised Singapore Financial Reporting Standards ("FRSs") that are mandatory for financial years beginning on and after 1 January 2015, where applicable. The adoption of these standards did not result in substantial changes to the Group's accounting policies, and there is no material impact on the retained earnings of the Group as at 1 January 2015.

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 Figures			
	2Q 2015	2Q 2014	YTD 2015	YTD 2014
(Loss)/profit per ordinary share for the period after deducting any provision for preference dividends:-				
(i) Based on weighted average number of ordinary shares in issue	(0.29) cents	0.02 cents	(0.76) cents	(0.12) cents
(ii) On a fully diluted basis	(0.29) cents	0.02 cents	(0.76) cents	(0.12) cents

The calculation of earnings per share for the half-year ended 30 June 2015 is based on:

- (1) Group's loss after taxation attributable to equity holders of \$5,511,000 (2014: loss after taxation of \$860,000);
- (2) Weighted average number of ordinary shares of 722,395,000 (2014: 722,395,000) applicable to basic earnings per share;
- (3) Weighted average number of ordinary shares of 722,395,000 (2014: 722,395,000) applicable to diluted earnings per share.

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	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Net asset value per ordinary share	10.71 cents	11.25 cents	7.65 cents	7.78 cents

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.**

	Revenue		(Loss)/profit from Operations	
	2Q 2015	2Q 2014	2Q 2015	2Q 2014
Business Segments:	S\$'000	S\$'000	S\$'000	S\$'000
Equipment and Supplies	12,284	6,153	129	(275)
Manufacturing and Support Services	7,719	13,858	(1,876)	1,091
Total	20,003	20,011	(1,747)	816

	Revenue		(Loss)/profit from Operations	
	YTD 2015	YTD 2014	YTD 2015	YTD 2014
Business Segments:	S\$'000	S\$'000	S\$'000	S\$'000
Equipment and Supplies	20,723	14,654	(506)	(771)
Manufacturing and Support Services	14,881	24,617	(4,445)	1,027
Total	35,604	39,271	(4,951)	256

Revenue of S\$20.0 million for 2Q 2015 was comparable with that of the same period last year. However, the Group posted a loss from operations of S\$1.7 million for 2Q 2015, compared with a profit of S\$0.8 million for 2Q 2014, due mainly to weaker performance of its Manufacturing and Support Services business.

Revenue for the Equipment and Supplies business for 2Q 2015 increased by S\$6.1 million, or 100%, compared with 2Q 2014 due mainly to an increase in sales of equipment to a printed circuit board ("PCB") manufacturer. However, the Group noted that PCB manufacturers are still generally cautious in expanding their production capacities, as demand for information and technology products is affected by the slow growth in the major economies. The business segment posted an operating profit of S\$0.1 million (2Q 2014: operating loss of S\$0.3 million) for the quarter under review.

Revenue of the Manufacturing and Support Services business for 2Q 2015 decreased by 44% to S\$7.7 million compared with 2Q 2014. In 2Q 2015, the Group's plants in China which are engaged in the provision of manufacturing and support services experienced weak demand from customers who have exposure to mobile services infrastructure equipment and mobile devices. This business segment reported an operating loss of S\$1.9 million for 2Q 2015, compared with a profit of S\$1.1 million for 2Q 2014.

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

The results are in accordance with our announcement dated 30 April 2015.

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 economic slowdown in China is set to dampen growth in the PCB industry in the near term, and the Group expects a challenging operating environment for both its 'Equipment and Supplies' and 'Manufacturing and Support Services' business segments.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the 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/recommendeded, a statement to that effect.

No dividend has been declared/recommendeded for the quarter ended 30 June 2015.

13. If the Group has obtained a general mandate from shareholders for interested person transactions ("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 has not obtained a general mandate from shareholders for IPTs.

14. Negative confirmation by the board pursuant to Rule 705(5)

We, Fung Chi Wai and Linna Hui Min, being two directors of Jadason Enterprises Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited financial results for the quarter ended 30 June 2015 to be false or misleading.

On behalf of the board of directors

FUNG CHI WAI
Chief Executive Officer

LINNA HUI MIN
Director

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmented revenue and results for business or geographical 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.

Not applicable.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

17. A breakdown of sales.

Not applicable.

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

Not applicable.

BY ORDER OF THE BOARD

**Fung Chi Wai
Chief Executive Officer
14 August 2015**