

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 financial year ended 31 December 2016 ("FY2016") on 27 February 2017. Shareholders should refer to the announcement for further details.

At 31 December 2016, the Group had cash and cash equivalents of S\$18.7 million (31 December 2015: S\$32.6 million). Net cash, defined by cash and cash equivalents less bank borrowings and leasing obligations, was S\$11.1 million at 31 December 2016 (31 December 2015: S\$14.0 million). At 31 December 2016, net current assets of the Group amounted to S\$31.5 million (31 December 2015: S\$34.2 million).

Revenue for FY2016 decreased by 9% to S\$57.1 million compared with FY2015. The Group posted a net profit of S\$1.8 million, compared with a net loss of S\$32.1 million for FY2015, due mainly to the following factors:

- lower depreciation, selling and administration expenses;
- an impairment loss of S\$14.0 million relating to plant and equipment recognized in FY2015;
- a write-back of allowance for inventory obsolescence of S\$0.5 million in FY2016, compared with an allowance for inventory obsolescence of S\$4.4 million in FY2015; and
- higher level of business activities at the Group's Manufacturing and Support Services business segment.

Update on Future Direction

Against the backdrop of an uncertain global economy and the slow growth in China, printed circuit board manufacturers are likely to remain cautious in their capital expenditure programmes, 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 FY2017.

The Group will continue to rationalize and streamline its 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
27 February 2017