

**JADASON ENTERPRISES LTD (REG. NO. 199003898K)**

**Financial Statement And Dividend Announcement for the Quarter Ended 31 March 2018**

**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 31 March 2018 ("1Q 2018"):

	S\$'000		%
	1Q 2018	1Q 2017	Increase/ (Decrease)
Revenue	13,204	13,280	(1)
Cost of sales	<u>(11,152)</u>	<u>(10,659)</u>	5
Gross profit (Note 1)	2,052	2,621	(22)
Other operating income (Note 2)	1,011	592	71
Selling and distribution expenses	(468)	(569)	(18)
Administrative expenses	<u>(2,351)</u>	<u>(2,308)</u>	2
Profit from operations	244	336	(27)
Finance cost	<u>(66)</u>	<u>(53)</u>	25
Profit before income tax	178	283	(37)
Income tax (Note 3)	<u>(157)</u>	<u>(3)</u>	5,133
Profit after income tax	<u>21</u>	<u>280</u>	(93)
Attributable to: Equity holders of the Company	<u>21</u>	<u>280</u>	(93)

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

	S\$'000		%
	1Q 2018	1Q 2017	Increase/ (Decrease)
Foreign exchange gain	491	479	3
Depreciation of property, plant and equipment	(452)	(427)	6
Profit on disposal of plant and equipment	-	1	(100)

Notes to Income Statement:

Note 1

The decrease in gross profit in 1Q 2018 was due mainly to the disruption in production activities in March 2018 caused by a minor fire at the Group's subsidiary which is principally engaged in the mass lamination of printed circuit boards. As reported in our announcement dated 2 March 2018, the Group believes that it should be able to make an insurance claim for the losses incurred and the potential impact of the fire incident on the financial performance and net assets of the Group for the financial year ending 31 December 2018 is not expected to be material. As at 31 March 2018, the Group has not recognised any receivables from insurance companies in respect of the fire incident.

Please refer to Section 8 of this report for further discussions on the performance of the Group's operating segments.

Note 2

The Group's 'other operating income' increased compared with the same period last year due mainly to higher sales of scrap materials.

Note 3

The effective tax rate was high during the quarter under review as a subsidiary had fully utilised its brought forward tax losses in the previous financial year, and that losses incurred by certain subsidiaries could not be offset against the profits of other subsidiaries for income tax purposes.

The effective tax rates was low in 1Q 2017 due mainly to the utilisation of brought forward tax losses by certain entities within the Group.

NM – Percentage changes are not meaningful.

Unaudited statement of comprehensive income of the Group for the quarter ended 31 March 2018:

	1Q 2018	1Q 2017	Increase / (Decrease)
	S\$'000	S\$'000	%
Profit after income tax for the period	21	280	(93)
Other comprehensive income:			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Exchange differences on translating foreign operations	401	(1,933)	NM
	401	(1,933)	
Total comprehensive income for the period	422	(1,653)	NM
Total comprehensive income attributable to:			
Equity holders of the Company	422	(1,653)	NM

**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 31 March 2018 and 31 December 2017:

	Group		Company	
	31.3.2018	31.12.2017	31.3.2018	31.12.2017
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and bank balances (Note 1)	6,911	6,631	891	1,466
Inventories (Note 2)	7,036	6,630	305	357
Trade receivables (Note 3)	25,009	27,066	1,434	1,691
Bill receivables	11,225	11,239	-	-
Other receivables and prepayments	1,228	1,104	93	108
Amounts due from subsidiaries	-	-	333	422
<b>Total</b>	<b>51,409</b>	<b>52,670</b>	<b>3,056</b>	<b>4,044</b>
<b>Non-current assets:</b>				
Property, plant and equipment	18,648	18,636	125	141
Subsidiaries	-	-	56,046	56,046
<b>Total</b>	<b>18,648</b>	<b>18,636</b>	<b>56,171</b>	<b>56,187</b>
<b>TOTAL ASSETS</b>	<b>70,057</b>	<b>71,306</b>	<b>59,227</b>	<b>60,231</b>

	Group		Company	
	31.3.2018	31.12.2017	31.3.2018	31.12.2017
	S\$'000	S\$'000	S\$'000	S\$'000
<b>LIABILITIES &amp; EQUITY</b>				
<b>Current liabilities:</b>				
Bank borrowings	1,000	1,000	1,000	1,000
Trust receipts (Note 4)	1,588	2,193	1,588	2,001
Trade payables (Note 4)	11,528	12,247	1,259	1,438
Other payables (Note 4)	3,365	3,862	453	484
Income tax payable	166	9	-	-
Finance leases	4	8	3	7
Amounts due to subsidiaries	-	-	3,257	3,342
<b>Total</b>	<b>17,651</b>	<b>19,319</b>	<b>7,560</b>	<b>8,272</b>
<b>Non-current liabilities:</b>				
Finance leases	3	4	-	-
Deferred income tax	16	16	16	16
Provision for long service payment	92	94	-	-
<b>Total</b>	<b>111</b>	<b>114</b>	<b>16</b>	<b>16</b>
<b>Capital &amp; reserves:</b>				
Share capital	50,197	50,197	50,197	50,197
Treasury shares	(307)	(307)	(307)	(307)
Share option reserve	1,280	1,280	1,280	1,280
Translation reserve	(1,984)	(2,385)	(82)	(82)
Reserve and Enterprise Expansion Funds (Note 5)	5,711	5,711	-	-
Accumulated (losses)/profits	(2,602)	(2,623)	563	855
<b>Total</b>	<b>52,295</b>	<b>51,873</b>	<b>51,651</b>	<b>51,943</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>70,057</b>	<b>71,306</b>	<b>59,227</b>	<b>60,231</b>

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 inventories was primarily to support the requirements of customers within the manufacturing and support services business segment.

Note 3

The decrease in trade receivables was due mainly to payments received during the quarter under review.

Note 4

The decreases in trust receipts, trade and other payables were due mainly to payments made by the Group during the quarter under review.

Note 5

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 31 Mar 2018		As at 31 Dec 2017	
Secured	Unsecured	Secured	Unsecured
\$4,000	\$2,588,000	\$8,000	\$3,193,000

**Amount repayable after one year**

As at 31 Mar 2018		As at 31 Dec 2017	
Secured	Unsecured	Secured	Unsecured
\$3,000	-	\$4,000	-

**Details of any collateral**

Plant and equipment of the Group with net book values of \$29,000 (31 December 2017: \$36,000) 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.

	1Q 2018	1Q 2017
	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>		
Profit before income tax	178	283
Adjustments for:		
Depreciation of property, plant and equipment	452	427
Interest expense	66	53
Interest income	(9)	(11)
Profit on disposal of plant and equipment	-	(1)
Operating cash flows before changes in working capital	687	751
Trade receivables	2,057	2,965
Bill receivables	14	(1,480)
Other receivables	(124)	380
Inventories	(406)	(604)
Trade payables	(719)	(3,183)
Trust receipts	(605)	138
Other payables	(497)	(873)
Cash flows generated from / (used in) operations	407	(1,906)
Interest paid	(66)	(53)
Interest received	9	11
Income tax paid	-	(4)
Net cash flows generated from / (used in) operating activities	350	(1,952)
<b>Cash flows from investing activities:</b>		
Purchase of plant and equipment	(149)	(102)
Net cash flows used in investing activities	(149)	(102)
<b>Cash flows from financing activities:</b>		
Proceeds from loans and borrowings	-	1,439
Repayment of loans and borrowings	-	(2,126)
Repayment of finance leases	(5)	(5)
Net cash flows used in financing activities	(5)	(692)
<b>Net increase/(decrease) in cash and cash equivalents</b>	196	(2,746)
Cash and cash equivalents at beginning of period	6,631	18,721
Effects of exchange rate changes	84	(1,312)
<b>Cash and cash equivalents at end of period</b>	<b>6,911</b>	<b>14,663</b>

**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 (Losses) / Profits	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>GROUP</b>							
<b>2018</b>							
Balance at 1 January 2018	50,197	(307)	1,280	(2,385)	5,711	(2,623)	51,873
Profit for the period	-	-	-	-	-	21	21
Currency translation gain	-	-	-	401	-	-	401
Balance at 31 March 2018	50,197	(307)	1,280	(1,984)	5,711	(2,602)	52,295
<b>2017</b>							
Balance at 1 January 2017	50,197	(307)	1,280	(480)	5,711	(5,447)	50,954
Profit for the period	-	-	-	-	-	280	280
Currency translation loss	-	-	-	(1,933)	-	-	(1,933)
Balance at 31 March 2017	50,197	(307)	1,280	(2,413)	5,711	(5,167)	49,301
<b>COMPANY</b>							
<b>2018</b>							
Balance at 1 January 2018	50,197	(307)	1,280	(82)	-	855	51,943
Loss for the period	-	-	-	-	-	(292)	(292)
Balance at 31 March 2018	50,197	(307)	1,280	(82)	-	563	51,651
<b>2017</b>							
Balance at 1 January 2017	50,197	(307)	1,280	(82)	-	(201)	50,887
Profit for the period	-	-	-	-	-	170	170
Currency translation loss	-	-	-	(2)	-	-	(2)
Balance at 31 March 2017	50,197	(307)	1,280	(84)	-	(31)	51,055

# Surplus Reserve refers to Reserve Fund and Enterprise Expansion Fund (Note 5 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 31 March 2018.

As at 31 March 2018, there were unexercised options for 14,400,000 (31 March 2017: 14,800,000) unissued ordinary shares under the Jadason Share Option Scheme 2000. During the quarter ended 31 March 2018, 400,000 options were cancelled.

As at 31 March 2018, there were 3,670,000 (31 March 2017: 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 31 March 2018 was 722,395,000 (31 December 2017: 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 2018 and 31 March 2018	(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 2017 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 Singapore Financial Reporting Standards (International) (“SFRS(I)”), a new financial reporting framework identical to the International Financial Reporting Standards, on 1 January 2018.

The Group also adopted the following SFRS(I) accounting standards that are effective for financial years beginning on or after 1 January 2018 and which are relevant to the Group’s operations:

- SFRS(I) 9 Financial Instruments; and
- SFRS(I) 15 Revenue from Contracts with Customers.

The adoption of the new framework and standards has no material impact on the financial statements.

**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	
	1Q 2018	1Q 2017
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	0.00 cents	0.04 cents
(ii) On a fully diluted basis	0.00 cents	0.04 cents

The calculation of earnings per share for the quarter ended 31 March 2018 is based on:

- (1) Group’s profit after taxation attributable to equity holders of \$21,000 (1Q 2017: profit after taxation of \$280,000);
- (2) Weighted average number of ordinary shares of 722,395,000 (2017: 722,395,000) applicable to basic earnings per share;
- (3) Weighted average number of ordinary shares of 722,395,000 (2017: 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	
	31.3.2018	31.12.2017	31.3.2018	31.12.2017
Net asset value per ordinary share	7.24 cents	7.18 cents	7.15 cents	7.19 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		Profit/(loss) from Operations	
	1Q 2018	1Q 2017	1Q 2018	1Q 2017
Business Segments:	S\$'000	S\$'000	S\$'000	S\$'000
Equipment and Supplies	4,769	5,269	(43)	(7)
Manufacturing and Support Services	8,435	8,011	287	343
<b>Total</b>	<b>13,204</b>	<b>13,280</b>	<b>244</b>	<b>336</b>

Revenue for 1Q 2018 was S\$13.2 million, marginally lower than 1Q 2017 revenue of S\$13.3 million. The Group posted a profit from operations of S\$0.2 million during the quarter under review, compared with a profit of S\$0.3 million for 1Q 2017.

Revenue for the Equipment and Supplies business for 1Q 2018 decreased by S\$0.5 million, or 9%, compared with 1Q 2017 due mainly to weaker sales of supplies to printed circuit board ("PCB") manufacturers. The business segment posted an operating loss of S\$43,000 (1Q 2017: S\$7,000) for the quarter under review.

Revenue of the Manufacturing and Support Services business for 1Q 2018 increased by S\$0.4 million, or 5%, to S\$8.4 million compared with 1Q 2017 due mainly to higher demand from customers for manufacturing services during the quarter under review. This business segment reported a lower operating profit of S\$0.3 million for 1Q 2018 due mainly to the disruption in production activities in March 2018 caused by a minor fire at the Group's subsidiary which is principally engaged in the mass lamination of printed circuit boards. As mentioned in Note 1 of Section 1(a) of this report, the Group has not recognised any receivables from the insurance companies in respect of the fire incident as at 31 March 2018.

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 generally in accordance with our announcement dated 28 February 2018.

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.**

Our PCB manufacturers customers continue to remain cautious in their capital expenditure programmes notwithstanding the uptick in economic activities, and the Group expects a challenging environment for its Equipment and Supplies business.

Based on discussions with long-term customers, we expect our Manufacturing and Support Services business to see a healthy level of activities in FY2018. The Group also sees business opportunities from the development of 5<sup>th</sup> generation mobile networks in China. The Group is taking actions to address the issue of labour shortage, and is also watching closely the rising trade tensions between US and China.

The Group will continue to rationalise and streamline its core businesses.

**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 31 March 2018.

**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 31 March 2018 to be false or misleading.

On behalf of the board of directors

**FUNG CHI WAI**  
Chief Executive Officer

**LINNA HUI MIN**  
Director

**15. Confirmation pursuant to Rule 720(1)**

The Company confirms that it has procured the undertakings from all its directors and executive officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Singapore Exchange Listing Manual.

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

**16. 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.

**17. 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.

**18. A breakdown of sales.**

Not applicable.

**19. 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  
11 May 2018**