

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

**Financial Statement And Dividend Announcement for the Quarter Ended 31 March 2016**

**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 2016 ("1Q 2016"):

	S\$'000		%
	1Q 2016	1Q 2015	Increase/ (Decrease)
Revenue	14,729	15,601	(6)
Cost of sales	<u>(11,815)</u>	<u>(15,281)</u>	(23)
Gross profit	2,914	320	811
Other operating income (Note 1)	370	53	598
Selling and distribution expenses (Note 2)	(357)	(412)	(13)
Administrative expenses (Note 2)	<u>(2,422)</u>	<u>(3,165)</u>	(23)
Profit/(loss) from operations	505	(3,204)	NM
Finance cost	(146)	(152)	(4)
Share of loss of associate	<u>(51)</u>	<u>(32)</u>	59
Profit/(loss) before income tax	308	(3,388)	NM
Income tax (Note 3)	<u>(47)</u>	<u>(19)</u>	147
Profit/(loss) after income tax	<u>261</u>	<u>(3,407)</u>	NM
Attributable to: Equity holders of the Company	<u>261</u>	<u>(3,407)</u>	NM

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

	S\$'000		%
	1Q 2016	1Q 2015	Increase/ (Decrease)
Foreign exchange gain/(loss) (Note 1)	71	(276)	NM
Depreciation of property, plant and equipment (Note 4)	(386)	(1,952)	(80)
Loss on disposal of plant and equipment	(2)	-	NM

Notes to Income Statement:

Note 1

The Group's 'other operating income' increased by S\$317,000 in 1Q 2016, due mainly to a foreign exchange gain of S\$71,000 in the quarter under review, compared with a foreign exchange loss of S\$276,000 in 1Q 2015. During the quarter under review, the Group benefited from a weaker Hong Kong dollar, as it has certain creditor balances denominated in that currency. The foreign exchange loss in 1Q 2015 arose mainly from certain creditor balances denominated in US dollar and bank loan denominated in Hong Kong dollar, which strengthened against the Singapore dollar.

Note 2

'Selling and distribution' and 'administrative' expenses decreased compared with the same period last year due mainly to rationalisation measures implemented by the Group.

Note 3

The effective tax rate was low in 1Q 2016 due mainly to the utilisation of brought forward tax losses by certain entities within the Group. In 1Q 2015, an income tax charge arose 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.

Note 4

Depreciation charge decreased in 1Q 2016, following the recognition of an impairment loss of plant and equipment in the financial year ended 31 December 2015. Please refer to our announcement dated 6 November 2015 for details regarding the impairment charge. The lower depreciation charge led to increases in the Group's gross profit and margin in 1Q 2016.

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 (loss)/income of the Group for the quarter ended 31 March 2016:

	1Q 2016	1Q 2015	Increase/(Decrease)
	S\$'000	S\$'000	%
Profit/(loss) after income tax for the period	261	(3,407)	NM
Other comprehensive income:			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Exchange differences on translating foreign operations	(2,900)	3,837	NM
	(2,900)	3,837	
Total comprehensive (loss)/income for the period	(2,639)	430	NM
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company	(2,639)	430	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 2016 and 31 December 2015:

	Group		Company	
	31.3.2016	31.12.2015	31.3.2016	31.12.2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and bank balances (Note 1)	11,679	14,791	2,168	1,071
Bank deposits (Note 1)	12,120	17,777	-	-
Inventories	4,505	4,525	580	697
Trade receivables	21,279	20,921	2,513	1,760
Bill receivables (Note 2)	10,168	9,081	-	-
Other receivables and prepayments (Note 3)	1,470	1,804	93	86
Amounts due from subsidiaries	-	-	3,267	3,243
<b>Total</b>	<b>61,221</b>	<b>68,899</b>	<b>8,621</b>	<b>6,857</b>
<b>Non-current assets:</b>				
Property, plant and equipment (Note 4)	18,937	20,023	251	278
Subsidiaries	-	-	62,708	62,708
<b>Total</b>	<b>18,937</b>	<b>20,023</b>	<b>62,959</b>	<b>62,986</b>
<b>TOTAL ASSETS</b>	<b>80,158</b>	<b>88,922</b>	<b>71,580</b>	<b>69,843</b>

	Group		Company	
	31.3.2016	31.12.2015	31.3.2016	31.12.2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>LIABILITIES &amp; EQUITY</b>				
<b>Current liabilities:</b>				
Bank borrowings (Note 5)	13,361	16,206	6,565	8,830
Trust receipts (Note 6)	1,458	2,197	1,458	2,197
Trade payables (Note 7)	12,582	11,656	2,399	1,409
Other payables (Note 8)	3,527	4,505	337	425
Income tax payable	2	159	-	-
Finance leases	14	14	13	13
Amounts due to subsidiaries	-	-	5,474	1,290
<b>Total</b>	<b>30,944</b>	<b>34,737</b>	<b>16,246</b>	<b>14,164</b>
<b>Non-current liabilities:</b>				
Finance leases	17	21	17	21
Bank borrowings (Note 5)	-	2,280	-	2,280
Deferred income tax	-	24	16	16
Provision for long service payment	475	499	-	-
<b>Total</b>	<b>492</b>	<b>2,824</b>	<b>33</b>	<b>2,317</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	(1,145)	1,755	(77)	(78)
Reserve and Enterprise Expansion Funds (Note 9)	5,711	6,063	-	-
Accumulated (losses)/profits	(7,014)	(7,627)	4,208	2,270
<b>Total</b>	<b>48,722</b>	<b>51,361</b>	<b>55,301</b>	<b>53,362</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>80,158</b>	<b>88,922</b>	<b>71,580</b>	<b>69,843</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 bill receivables of the Group was related to the increase in manufacturing and support services activities during the quarter under review. Please refer to Section 8 of this report for further details regarding the performance of the Group's operating segments.

Note 3

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

Note 4

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

Note 5

During the quarter under review, the Group repaid bank loans totaling S\$5.1 million.

Note 6

The decrease in trust receipts was due mainly to payments made by the Group during the quarter.

Note 7

The increase in trade payables of the Group and Company was related to the purchase of equipment for sale in the month of March 2016.

Note 8

Other payables of the Group was higher at 31 December 2015 due mainly to value added tax payable at the Group's China subsidiaries, and this was paid by the Group during the quarter under review.

Note 9

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 2016		As at 31 Dec 2015	
Secured	Unsecured	Secured	Unsecured
\$14,000	\$14,819,000	\$14,000	\$18,403,000

**Amount repayable after one year**

As at 31 Mar 2016		As at 31 Dec 2015	
Secured	Unsecured	Secured	Unsecured
\$17,000	-	\$21,000	\$2,280,000

**Details of any collateral**

Plant and equipment of the Group with net book values of \$68,000 (31 December 2015: \$73,000) 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 2016	1Q 2015
	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>		
Profit/(loss) before income tax	308	(3,388)
Adjustments for:		
Depreciation of property, plant and equipment	386	1,952
Interest expense	146	152
Interest income	(179)	(280)
Loss on disposal of plant and equipment	2	-
Share of loss of associate	51	32
Operating cash flows before changes in working capital	714	(1,532)
Trade receivables	(358)	2,332
Bill receivables	(1,087)	3,888
Other receivables	283	423
Inventories	20	(299)
Trade payables	926	516
Trust receipts	(739)	(945)
Other payables	(978)	72
Cash (used in) / generated from operations	(1,219)	4,455
Interest paid	(146)	(152)
Interest received	179	280
Income tax paid	(225)	(24)
Net cash (used in)/from operating activities	(1,411)	4,559
<b>Cash flows from investing activities:</b>		
Purchase of plant and equipment	(324)	(1,037)
Net cash used in investing activities	(324)	(1,037)
<b>Cash flows from financing activities:</b>		
Proceeds from loans and borrowings	-	9,085
Repayment of loans and borrowings	(5,125)	(3,596)
Repayment of finance leases	(4)	(3)
Net cash (used in)/from financing activities	(5,129)	5,486
<b>Net (decrease)/increase in cash and cash equivalents</b>	(6,864)	9,008
Cash and cash equivalents at beginning of period	32,568	35,400
Effects of exchange rate changes	(1,905)	2,165
<b>Cash and cash equivalents at end of period</b>	<u>23,799</u>	<u>46,573</u>

**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>2016</b>							
Balance at 1 January 2016	50,197	(307)	1,280	1,755	6,063	(7,627)	51,361
Profit for the period	-	-	-	-	-	261	261
Transfer from Surplus Reserve	-	-	-	-	(352)	352	-
Currency translation loss	-	-	-	(2,900)	-	-	(2,900)
Balance at 31 March 2016	50,197	(307)	1,280	(1,145)	5,711	(7,014)	48,722
<b>2015</b>							
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
<b>COMPANY</b>							
<b>2016</b>							
Balance at 1 January 2016	50,197	(307)	1,280	(78)	-	2,270	53,362
Profit for the period	-	-	-	-	-	1,938	1,938
Currency translation gain	-	-	-	1	-	-	1
Balance at 31 March 2016	50,197	(307)	1,280	(77)	-	4,208	55,301
<b>2015</b>							
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

# Surplus Reserve refers to Reserve Fund and Enterprise Expansion Fund (Note 9 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 2016.

As at 31 March 2016, there were unexercised options for 15,300,000 (31 March 2015: 16,500,000) unissued ordinary shares under the Jadason Share Option Scheme 2000. During the year ended 31 December 2015, 1,200,000 options were cancelled.

As at 31 March 2016, there were 3,670,000 (31 March 2015: 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 2016 was 722,395,000 (31 December 2015: 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 2016 and 31 March 2016	(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 2015 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 2016, 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 2016.

**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 2016	1Q 2015
Profit/(loss) per ordinary share for the period after deducting any provision for preference dividends:-		
(i) Based on weighted average number of ordinary shares in issue	0.04 cents	(0.47) cents
(ii) On a fully diluted basis	0.04 cents	(0.47) cents

The calculation of earnings per share for the quarter ended 31 March 2016 is based on:

- (1) Group's profit after taxation attributable to equity holders of \$261,000 (1Q 2015: loss after taxation of \$3,407,000);
- (2) Weighted average number of ordinary shares of 722,395,000 (2015: 722,395,000) applicable to basic earnings per share;
- (3) Weighted average number of ordinary shares of 722,395,000 (2015: 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	
	31.3.2016	31.12.2015	31.3.2016	31.12.2015
Net asset value per ordinary share	6.74 cents	7.11 cents	7.66 cents	7.39 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 2016	1Q 2015	1Q 2016	1Q 2015
Business Segments:	S\$'000	S\$'000	S\$'000	S\$'000
Equipment and Supplies	6,944	8,439	(140)	(635)
Manufacturing and Support Services	7,785	7,162	645	(2,569)
<b>Total</b>	<b>14,729</b>	<b>15,601</b>	<b>505</b>	<b>(3,204)</b>

Revenue for 1Q 2016 was S\$14.7 million, a decrease of 6% compared with 1Q 2015 revenue of S\$15.6 million. However, the Group posted a profit from operations of S\$0.5 million for 1Q 2016, compared with a loss of S\$3.2 million for 1Q 2015, due mainly to the better performance of the Manufacturing and Support Services business, lower depreciation charge as described in Note 4 of Section 1(a) of this report, and various cost control measures implemented by the Group. Growth momentum in China, the Group's key market, remained weak in the first quarter of 2016.

Revenue for the Equipment and Supplies business for 1Q 2016 decreased by S\$1.5 million, or 18%, compared with 1Q 2015 due to the continued weakness in demand from printed circuit board ("PCB") manufacturers. The business segment posted an operating loss of S\$0.1 million (1Q 2015: operating loss of S\$0.6 million) for the quarter under review.

Revenue of the Manufacturing and Support Services business for 1Q 2016 increased by 9% to S\$7.8 million compared with 1Q 2015. During the quarter, the Group's Manufacturing and Support Services business saw increased demand from customers who have exposure to mobile services infrastructure equipment makers. This business segment reported an operating profit of S\$0.6 million for 1Q 2016, compared with an operating loss of S\$2.6 million for 1Q 2015.

**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 26 February 2016.

**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 underlying economic activities of the PCB industry in China are likely to remain soft in the near term. This would pose challenges to our sales of PCB equipment and supplies, and demand for the Group's manufacturing and support services.

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.

**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 2016.

**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 2016 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  
3 May 2016**