

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

**Financial Statement And Dividend Announcement for the Quarter Ended 31 March 2014**

**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 2014 ("1Q 2014"):

	S\$'000		%
	1Q 2014	1Q 2013	Increase/ (Decrease)
Revenue	19,260	20,368	(5)
Cost of sales	<u>(16,036)</u>	<u>(18,350)</u>	(13)
Gross profit	3,224	2,018	60
Other operating (expense)/income (Note 1)	(20)	490	NM
Selling and distribution expenses	(484)	(440)	10
Administrative expenses	<u>(3,280)</u>	<u>(3,442)</u>	(5)
Loss from operations	(560)	(1,374)	(59)
Finance cost	(185)	(222)	(17)
Share of loss of associate	<u>(28)</u>	<u>(60)</u>	(53)
Loss before income tax	(773)	(1,656)	(53)
Income tax (Note 2)	<u>(211)</u>	<u>(61)</u>	246
Loss after income tax	<u>(984)</u>	<u>(1,717)</u>	(43)
Attributable to: Equity holders of the Company	<u>(984)</u>	<u>(1,717)</u>	(43)

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

	S\$'000		%
	1Q 2014	1Q 2013	Increase/ (Decrease)
Foreign exchange loss (Note 1)	(435)	(305)	43
Depreciation of property, plant and equipment	(1,987)	(2,166)	(8)
Profit/(loss) on sale of plant and equipment	1	(7)	NM
Write-off of plant and equipment	(31)	-	NM

Notes to Income Statement:

Note 1

The Group incurred an 'other operating expense' of S\$20,000 in 1Q 2014, compared with an income of S\$0.5 million for the same period last year, due mainly to lower sales of scrap materials and a foreign exchange loss of S\$0.4 million (1Q 2013: S\$0.3 million). The foreign exchange loss for the quarter under review arose mainly from certain creditor balances denominated in Hong Kong dollars, which strengthened against the Chinese Renminbi.

Note 2

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.

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 ended 31 March 2014:

	1Q 2014	1Q 2013	Increase/ (Decrease)
	S\$'000	S\$'000	%
Loss after income tax for the period	(984)	(1,717)	(43)
Other comprehensive income:			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Exchange differences on translating foreign operations	(2,791)	2,027	NM
	(2,791)	2,027	
Total comprehensive income for the period	(3,775)	310	NM
Total comprehensive income attributable to:			
Equity holders of the Company	(3,775)	310	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 2014 and 31 December 2013:

	Group		Company	
	31.3.2014	31.12.2013	31.3.2014	31.12.2013
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and bank balances	16,830	15,635	5,070	4,349
Bank deposits	27,037	30,494	-	-
Inventories	12,504	12,627	1,567	1,534
Trade receivables (Note 1)	28,578	43,358	3,291	8,217
Bills receivables (Note 2)	14,148	8,062	-	-
Other receivables and prepayments (Note 1)	3,276	3,607	126	120
Amounts due from Subsidiaries	-	-	5,272	5,182
<b>Total</b>	<b>102,373</b>	<b>113,783</b>	<b>15,326</b>	<b>19,402</b>
<b>Non-current assets:</b>				
Property, plant and equipment (Note 3)	39,235	40,310	331	359
Subsidiaries	-	-	63,873	63,873
Other receivables (Note 1)	-	1,307	-	-
<b>Total</b>	<b>39,235</b>	<b>41,617</b>	<b>64,204</b>	<b>64,232</b>
<b>TOTAL ASSETS</b>	<b>141,608</b>	<b>155,400</b>	<b>79,530</b>	<b>83,634</b>

	Group		Company	
	31.3.2014	31.12.2013	31.3.2014	31.12.2013
	S\$'000	S\$'000	S\$'000	S\$'000
<b>LIABILITIES &amp; EQUITY</b>				
<b>Current liabilities:</b>				
Bank loans (Note 4)	26,111	26,243	9,784	9,727
Trust receipts	2,221	1,688	2,143	1,688
Trade payables (Note 5)	20,156	28,790	4,350	7,662
Other payables (Note 5)	3,536	4,478	383	569
Income tax payable	356	415	-	-
Finance leases	62	92	12	12
Amounts due to subsidiaries	-	-	381	384
<b>Total</b>	<b>52,442</b>	<b>61,706</b>	<b>17,053</b>	<b>20,042</b>
<b>Non-current liabilities:</b>				
Finance leases	45	49	44	47
Bank loans (Note 4)	2,893	3,639	2,893	3,639
Deferred income tax	610	610	16	16
Provision for long service payment	588	591	-	-
<b>Total</b>	<b>4,136</b>	<b>4,889</b>	<b>2,953</b>	<b>3,702</b>
<b>Capital &amp; reserves:</b>				
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	(4,616)	(1,825)	(81)	(77)
Reserve and Enterprise Expansion Funds (Note 6)	6,005	6,005	-	-
Accumulated profits	<u>32,471</u>	<u>33,455</u>	<u>8,435</u>	<u>8,797</u>
<b>Total</b>	<b>85,030</b>	<b>88,805</b>	<b>59,524</b>	<b>59,890</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>141,608</b>	<b>155,400</b>	<b>79,530</b>	<b>83,634</b>

Notes:

Note 1

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

Note 2

The increase in bills receivables was related to the increase in business activities at the Group's manufacturing and support services operations in Dongguan.

Note 3

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 4

During the quarter under review, the Group repaid bank loans totaling S\$2.4 million and obtained new loans of S\$1.5 million.

Note 5

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

Note 6

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 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
\$62,000	\$28,332,000	\$92,000	\$27,931,000

**Amount repayable after one year**

As at 31 Mar 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
\$45,000	\$2,893,000	\$49,000	\$3,639,000

**Details of any collateral**

Plant and equipment of the Group with net book values of \$432,000 (31 December 2013: \$459,000) 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 2014	1Q 2013
	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>		
Loss before income tax	(773)	(1,656)
Adjustments for:		
Depreciation of property, plant and equipment	1,987	2,166
Interest expense	185	222
Interest income	(315)	(238)
(Profit)/loss on disposal of plant and equipment	(1)	7
Write-off of plant and equipment	31	-
Share of loss of associate	28	60
Operating profit before working capital changes	1,142	561
Trade receivables	14,780	3,807
Bill receivables	(6,086)	(1,047)
Other receivables	1,638	338
Inventories	123	(321)
Balances with associate	-	(54)
Trade payables	(8,634)	(1,721)
Trust receipts	533	4,055
Other payables	(942)	(1,547)
Cash generated from operations	2,554	4,071
Interest paid	(185)	(222)
Interest received	315	238
Income tax paid	(270)	(36)
Net cash from operating activities	2,414	4,051
<b>Cash flows used in investing activities:</b>		
Purchase of plant and equipment	(2,203)	(377)
Proceeds from disposal of plant and equipment	6	20
Net cash used in investing activities	(2,197)	(357)
<b>Cash flows from financing activities:</b>		
Proceeds from loans	1,532	1,599
Repayment of loans	(2,410)	(3,161)
Repayment of finance leases	(34)	(28)
Net cash used in financing activities	(912)	(1,590)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(695)	2,104
Cash and cash equivalents at beginning of period	46,129	47,925
Effects of exchange rate changes	(1,567)	1,129
<b>Cash and cash equivalents at end of period</b>	<b>43,867</b>	<b>51,158</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 Profits	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>GROUP</b>							
<b>2014</b>							
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
<b>2013</b>							
Balance at 1 January 2013	50,197	(307)	1,280	(8,210)	5,818	43,115	91,893
Loss for the period	-	-	-	-	-	(1,717)	(1,717)
Transfer to Surplus Reserve	-	-	-	-	114	(114)	-
Currency translation gain	-	-	-	2,027	-	-	2,027
Balance at 31 March 2013	50,197	(307)	1,280	(6,183)	5,932	41,284	92,203
<b>COMPANY</b>							
<b>2014</b>							
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
<b>2013</b>							
Balance at 1 January 2013	50,197	(307)	1,280	(79)	-	14,239	65,330
Loss for the period	-	-	-	-	-	(504)	(504)
Currency translation loss	-	-	-	(3)	-	-	(3)
Balance at 31 March 2013	50,197	(307)	1,280	(82)	-	13,735	64,823

# Surplus Reserve refers to Reserve Fund and Enterprise Expansion Fund (Note 6 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 2014.

As at 31 March 2014, there were unexercised options for 17,000,000 (31 March 2013: 18,400,000) unissued ordinary shares under the Jadason Share Option Scheme 2000. During the year ended 31 December 2013, 1,400,000 options were cancelled.

As at 31 March 2014, there were 3,670,000 (31 March 2013: 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 2014 was 722,395,000 (31 December 2013: 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 2014 and 31 March 2014	(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 2013 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 2014, 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 2014.

**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 2014	1Q 2013
(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	(0.14) cents	(0.24) cents
(ii) On a fully diluted basis	(0.14) cents	(0.24) cents

The calculation of earnings per share for the quarter ended 31 March 2014 is based on:

- (1) Group's loss after taxation attributable to equity holders of \$984,000 (1Q 2013: loss after taxation of \$1,717,000);
- (2) Weighted average number of ordinary shares of 722,395,000 (2013: 722,395,000) applicable to basic earnings per share;
- (3) Weighted average number of ordinary shares of 722,395,000 (2013: 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	
	31.3.2014	31.12.2013	31.3.2014	31.12.2013
Net asset value per ordinary share	11.77 cents	12.29 cents	8.24 cents	8.29 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 from Operations	
	1Q 2014	1Q 2013	1Q 2014	1Q 2013
Business Segments:	S\$'000	S\$'000	S\$'000	S\$'000
Equipment and Supplies	8,501	12,664	(496)	(379)
Manufacturing and Support Services	10,759	7,704	(64)	(995)
<b>Total</b>	<b>19,260</b>	<b>20,368</b>	<b>(560)</b>	<b>(1,374)</b>

Revenue for 1Q 2014 was S\$19.3 million, a decrease of 5% compared with 1Q 2013 revenue of S\$20.4 million. However, the Group posted a smaller loss from operations of S\$0.6 million for 1Q 2014 compared with a loss of S\$1.4 million for 1Q 2013, due mainly to better performance of its Manufacturing and Support Services business.

Revenue for the Equipment and Supplies business for 1Q 2014 decreased by S\$4.2 million, or 33%, compared with 1Q 2013 due to the decrease in sales of equipment to printed circuit board ("PCB") manufacturers. However, sales of supplies increased compared with the same period last year. The business segment posted an operating loss of S\$0.5 million (1Q 2013: operating loss of S\$0.4 million) for the quarter under review.

Revenue of the Manufacturing and Support Services business for 1Q 2014 increased by 40% to S\$10.8 million compared with 1Q 2013. During the quarter, the Group's Manufacturing and Support Services business saw stronger demand from customers who have exposure to mobile devices and mobile services infrastructure equipment makers. This business segment reported an operating loss of S\$64,000 for 1Q 2014, compared with an operating loss of S\$1.0 million for 1Q 2013.

**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 24 February 2014.

**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.**

Based on enquiries from the Group's customers, sales of PCB equipment and supplies is expected to be stable, and the demand for the Group's manufacturing and support services is expected to be healthy.

In December 2013, the Chinese government issued fourth generation cellular ("4G") licenses to the network carriers in the country. The Group sees business opportunities from the launch of 4G mobile telecommunication services in China, as it has customers who have exposure to Chinese telecommunications equipment makers.

**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 2014.

**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 2014 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  
28 April 2014**