

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 2015 ("FY2015") on 26 February 2016. Shareholders should refer to the announcement for further details.

At 31 December 2015, the Group had cash and cash equivalents of S\$32.6 million (31 December 2014: S\$35.4 million). Net cash, defined by cash and cash equivalents less bank borrowings and leasing obligations, was S\$14.0 million at 31 December 2015 (31 December 2014: S\$12.2 million). At 31 December 2015, net current assets of the Group amounted to S\$34.2 million (31 December 2014: S\$45.0 million).

Revenue for FY2015 decreased by 22% to S\$63.1 million compared with FY2014. The net loss for FY2015 was S\$32.1 million, compared with a net loss of S\$8.9 million for FY2014. In FY2015, the Group saw weaker performance from both its Equipment and Supplies and Manufacturing and Support Services businesses. In particular, the Group recognized an impairment loss of plant and equipment of S\$14.0 million due mainly to idle assets in its Manufacturing and Support Services business, as weak demand persists for printed circuit board ("PCB") drilling and PCB mass lamination services in China. The Group also recorded an allowance for inventory obsolescence of S\$4.4 million, in the light of low demand experienced in its business segments.

Update on Future Direction

The slow growth in China will continue to affect the electronics sector and the printed circuit board industry. High turnover of workers at the Group's plants in China negatively affect the productivity at these plants. The Group expects a challenging environment for both its 'Equipment and Supplies' and 'Manufacturing and Support Services' business segments.

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
26 February 2016