

JADASON ENTERPRISES LTD (REG. NO. 199003898K)

Financial Statement And Dividend Announcement for the Quarter Ended 31 March 2015

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 2015 ("1Q 2015"):

	S\$'000		%
	1Q 2015	1Q 2014	Increase/ (Decrease)
Revenue	15,601	19,260	(19)
Cost of sales	<u>(15,281)</u>	<u>(16,036)</u>	(5)
Gross profit	320	3,224	(90)
Other operating income/(expense) (Note 1)	53	(20)	NM
Selling and distribution expenses	(412)	(484)	(15)
Administrative expenses	<u>(3,165)</u>	<u>(3,280)</u>	(4)
Loss from operations	(3,204)	(560)	472
Finance cost	(152)	(185)	(18)
Share of loss of associate	<u>(32)</u>	<u>(28)</u>	14
Loss before income tax	(3,388)	(773)	338
Income tax (Note 2)	<u>(19)</u>	<u>(211)</u>	(91)
Loss after income tax	<u>(3,407)</u>	<u>(984)</u>	246
Attributable to: Equity holders of the Company	<u>(3,407)</u>	<u>(984)</u>	246

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

	S\$'000		%
	1Q 2015	1Q 2014	Increase/ (Decrease)
Foreign exchange loss (Note 1)	(276)	(435)	(37)
Depreciation of property, plant and equipment	(1,952)	(1,987)	(2)
Profit on sale of plant and equipment	-	1	NM
Write-off of plant and equipment	-	(31)	NM

Notes to Income Statement:

Note 1

The Group's 'other operating income' was S\$53,000 in 1Q 2015, compared with a loss of S\$20,000 for the same period last year, due mainly to lower foreign exchange loss. The foreign exchange loss for the quarter under review 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

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 2015:

	1Q 2015	1Q 2014	Increase/ (Decrease)
	S\$'000	S\$'000	%
Loss after income tax for the period	(3,407)	(984)	246
Other comprehensive income:			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Exchange differences on translating foreign operations	3,837	(2,791)	NM
	3,837	(2,791)	
Total comprehensive income for the period	430	(3,775)	NM
Total comprehensive income attributable to:			
Equity holders of the Company	430	(3,775)	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 2015 and 31 December 2014:

	Group		Company	
	31.3.2015	31.12.2014	31.3.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and bank balances	18,480	12,151	1,015	2,580
Bank deposits	28,093	23,249	-	-
Inventories	9,939	9,640	1,394	1,426
Trade receivables (Note 1)	24,506	26,838	2,865	2,738
Bill receivables (Note 1)	11,041	14,929	-	-
Other receivables and prepayments (Note 1)	2,882	3,337	246	119
Amounts due from Subsidiaries	-	-	5,267	2,981
Total	94,941	90,144	10,787	9,844
Non-current assets:				
Property, plant and equipment (Note 2)	38,191	37,408	238	263
Subsidiaries	-	-	62,708	62,708
Total	38,191	37,408	62,946	62,971
TOTAL ASSETS	133,132	127,552	73,733	72,815

	Group		Company	
	31.3.2015	31.12.2014	31.3.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
LIABILITIES & EQUITY				
Current liabilities:				
Bank borrowings (Note 3)	19,793	23,172	2,940	4,769
Trust receipts (Note 4)	2,642	3,587	2,317	2,305
Trade payables (Note 5)	14,976	14,460	2,988	4,359
Other payables	3,873	3,801	498	543
Income tax payable	76	81	-	-
Finance leases	14	14	13	13
Amounts due to subsidiaries	-	-	402	4,582
Total	41,374	45,115	9,158	16,571
Non-current liabilities:				
Finance leases	32	35	31	34
Bank borrowings (Note 3)	8,868	-	8,868	-
Deferred income tax	524	524	16	16
Provision for long service payment	661	635	-	-
Total	10,085	1,194	8,915	50
Capital & reserves:				
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	3,373	(464)	(78)	(80)
Reserve and Enterprise Expansion Funds (Note 6)	6,063	6,005	-	-
Accumulated profits	21,067	24,532	4,568	5,104
Total	81,673	81,243	55,660	56,194
TOTAL LIABILITIES AND EQUITY	133,132	127,552	73,733	72,815

Notes:

Note 1

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

Note 2

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

Note 3

During the quarter under review, the Group repaid bank loans totaling S\$3.6 million and obtained new borrowings of S\$9.1 million.

Note 4

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

Note 5

The increase in trade payables of the Group was due mainly to timing reasons.

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 2015		As at 31 Dec 2014	
Secured	Unsecured	Secured	Unsecured
\$14,000	\$22,435,000	\$14,000	\$26,759,000

Amount repayable after one year

As at 31 Mar 2015		As at 31 Dec 2014	
Secured	Unsecured	Secured	Unsecured
\$32,000	\$8,868,000	\$35,000	-

Details of any collateral

Plant and equipment of the Group with net book values of \$90,000 (31 December 2014: \$95,000) 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 2015	1Q 2014
	S\$'000	S\$'000
Cash flows from operating activities:		
Loss before income tax	(3,388)	(773)
Adjustments for:		
Depreciation of property, plant and equipment	1,952	1,987
Interest expense	152	185
Interest income	(280)	(315)
Profit on disposal of plant and equipment	-	(1)
Write-off of plant and equipment	-	31
Share of loss of associate	32	28
Operating (loss)/profit before working capital changes	(1,532)	1,142
Trade receivables	2,332	14,780
Bill receivables	3,888	(6,086)
Other receivables	423	1,638
Inventories	(299)	123
Trade payables	516	(8,634)
Trust receipts	(945)	533
Other payables	72	(942)
Cash generated from operations	4,455	2,554
Interest paid	(152)	(185)
Interest received	280	315
Income tax paid	(24)	(270)
Net cash from operating activities	4,559	2,414
Cash flows used in investing activities:		
Purchase of plant and equipment	(1,037)	(2,203)
Proceeds from disposal of plant and equipment	-	6
Net cash used in investing activities	(1,037)	(2,197)
Cash flows from financing activities:		
Proceeds from loans and borrowings	9,085	1,532
Repayment of loans and borrowings	(3,596)	(2,410)
Repayment of finance leases	(3)	(34)
Net cash from/(used in) financing activities	5,486	(912)
Net increase/(decrease) in cash and cash equivalents	9,008	(695)
Cash and cash equivalents at beginning of period	35,400	46,129
Effects of exchange rate changes	2,165	(1,567)
Cash and cash equivalents at end of period	46,573	43,867

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
GROUP							
2015							
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
2014							
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
COMPANY							
2015							
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
2014							
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

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 2015.

As at 31 March 2015, there were unexercised options for 16,500,000 (31 March 2014: 17,000,000) unissued ordinary shares under the Jadason Share Option Scheme 2000. During the year ended 31 December 2014, 500,000 options were cancelled.

As at 31 March 2015, there were 3,670,000 (31 March 2014: 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 2015 was 722,395,000 (31 December 2014: 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 2015 and 31 March 2015	(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 2014 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 2015, 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 2015.

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 2015	1Q 2014
(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	(0.47) cents	(0.14) cents
(ii) On a fully diluted basis	(0.47) cents	(0.14) cents

The calculation of earnings per share for the quarter ended 31 March 2015 is based on:

- (1) Group's loss after taxation attributable to equity holders of \$3,407,000 (1Q 2014: loss after taxation of \$984,000);
- (2) Weighted average number of ordinary shares of 722,395,000 (2014: 722,395,000) applicable to basic earnings per share;
- (3) Weighted average number of ordinary shares of 722,395,000 (2014: 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	
	31.3.2015	31.12.2014	31.3.2015	31.12.2014
Net asset value per ordinary share	11.31 cents	11.25 cents	7.70 cents	7.78 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 2015	1Q 2014	1Q 2015	1Q 2014
Business Segments:	S\$'000	S\$'000	S\$'000	S\$'000
Equipment and Supplies	8,439	8,501	(635)	(496)
Manufacturing and Support Services	7,162	10,759	(2,569)	(64)
Total	15,601	19,260	(3,204)	(560)

Revenue for 1Q 2015 was S\$15.6 million, a decrease of 19% compared with 1Q 2014 revenue of S\$19.3 million. The Group posted a higher loss from operations of S\$3.2 million for 1Q 2015, compared with a loss of S\$0.6 million for 1Q 2014, due mainly to the weaker performance of its Manufacturing and Support Services business. Growth momentum in China, the Group's key market, remained weak in the first quarter of 2015.

Revenue for the Equipment and Supplies business for 1Q 2015 decreased by S\$62,000, or 1%, compared with 1Q 2014 due to the continued weakness in demand from printed circuit board ("PCB") manufacturers. The business segment posted an operating loss of S\$0.6 million (1Q 2014: operating loss of S\$0.5 million) for the quarter under review.

Revenue of the Manufacturing and Support Services business for 1Q 2015 decreased by 33% to S\$7.2 million compared with 1Q 2014. During the quarter, the Group's Manufacturing and Support Services business saw weak demand from customers who have exposure to mobile devices and mobile services infrastructure equipment makers. This business segment reported an operating loss of S\$2.6 million for 1Q 2015, compared with an operating loss of S\$64,000 for 1Q 2014.

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 2015.

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 is 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.

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 2015.

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 2015 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
30 April 2015**