

JADASON ENTERPRISES LTD
(Registration No. 199003898K)

QUARTERLY UPDATE PURSUANT TO LISTING RULE 1313(2)

Jadason Enterprises Ltd (the ‘Company’) has been placed on the watch-list (financial entry criteria) with effect from 6 June 2023 pursuant to Listing Rule 1311(1).

In accordance with Listing Rule 1313(2), the Board of Directors of the Company would like to provide an update for the quarter ended 30 September 2023 (“3Q 2023”) on the Company, together with its subsidiaries (collectively, the ‘Group’).

Update on Financial Situation

The Group had released its unaudited financial performance and position of the Group for the half-year ended 30 June 2023 on 14 August 2023. Shareholders should refer to the announcement for further details.

At 30 September 2023, the Group had cash and cash equivalents of S\$9.5 million (31 December 2022: S\$11.5 million). Net cash, defined as cash and cash equivalents less bank borrowings, was S\$8.4 million at 30 September 2023 (31 December 2022: S\$10.0 million). At 30 September 2023, net current assets of the Group amounted to S\$4.8 million (31 December 2022: S\$8.2 million).

Revenue for 3Q 2023 was S\$6.7 million, compared with S\$9.2 million for 3Q 2022. During the quarter under review, the Group saw weaker demand from printed circuit board (“PCB”) manufacturers at both its Equipment and Supplies business and Manufacturing and Support Services business, amid the subdued economic conditions and the impact of US-China tensions. The Group recorded a net loss of S\$0.7 million (3Q 2022: S\$0.8 million) for the quarter under review.

Update on Future Direction

Against the backdrop of an uncertain global economy and the slow growth in China, PCB manufacturers are likely to remain cautious. The Group thus expects a challenging environment for both its ‘Equipment and Supplies’ and ‘Manufacturing and Support Services’ business segments.

The Group will continue its efforts in managing costs and rationalising its operations. In this regard, the Group will further scale down its PCB drilling operations in Dongguan owing to a lack of demand. The Group has given a lease termination letter to the landlord, indicating its intent to vacate the factory premises early. The lease contract stipulates that the lease period is from 1 January 2018 to 30 March 2027 and that a notice period of 24 months be given before terminating the lease. The Group will also strive to maintain sufficient liquidity and look for opportunities to diversify its revenue streams.

The Company is required to take steps to exit the watch-list within 36 months from 6 June 2023, and will make further announcements if any material developments occur.

By Order of the Board

Fung Chi Wai
Chief Executive Officer
14 November 2023