

**JADASON ENTERPRISES LTD (REGISTRATION NO. 199003898K)
("COMPANY") AND ITS SUBSIDIARIES ("GROUP")**

Interim Financial Statements for the Half Year Ended 30 June 2022 ("HY 2022")

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A. Consolidated Statement of Profit or Loss and Other Comprehensive Income

| | HY 2022 | HY 2021 | Increase/ (Decrease) |
|--|-----------------|-----------------|-------------------------|
| | S\$'000 | S\$'000 | % |
| Revenue (Note a) | 16,146 | 13,781 | 17 |
| Cost of sales | <u>(15,914)</u> | <u>(13,707)</u> | 16 |
| Gross profit | 232 | 74 | 214 |
| Other operating expense (Note b) | (500) | (45) | 1,011 |
| Selling and distribution expenses | (544) | (579) | (6) |
| Administrative expenses (Note c) | <u>(3,820)</u> | <u>(4,122)</u> | (7) |
| Loss from operations (Note a) | (4,632) | (4,672) | (1) |
| Finance cost (Note d) | <u>(347)</u> | <u>(424)</u> | (18) |
| Loss before income tax | (4,979) | (5,096) | (2) |
| Income tax | <u>(1)</u> | <u>(7)</u> | (86) |
| Loss for the period attributable to owners of the Company | <u>(4,980)</u> | <u>(5,103)</u> | (2) |
| Other comprehensive income: | | | |
| <u>Items that may be reclassified subsequently to profit or loss</u> | | | |
| Exchange differences on translating foreign operations (Note e) | <u>299</u> | <u>1,074</u> | (72) |
| Other comprehensive income for the financial period, net of tax | <u>299</u> | <u>1,074</u> | |
| Total comprehensive income for the period attributable to owners of the Company | <u>(4,681)</u> | <u>(4,029)</u> | 16 |
| Loss per share attributable to owners of the Company | | | |
| Basic and diluted (cents) | <u>(0.69)</u> | <u>(0.71)</u> | |

Explanatory Notes to the Consolidated Statement of Profit or Loss and Other Comprehensive Income:

Note a

Please refer to Section F of this report for further discussions on the performance of the Group's operating segments.

Note b

| | HY 2022 | HY 2021 |
|---|--------------|-------------|
| | S\$'000 | S\$'000 |
| Other operating (expense)/income: | | |
| Foreign exchange loss, net | (887) | (246) |
| Interest income from financial institutions | 40 | 33 |
| Income from scrap sales | 39 | 11 |
| Insurance claim | 123 | - |
| Government grants | 118 | 49 |
| Rent concession granted | 6 | 19 |
| Loss on disposal of property, plant and equipment | (20) | - |
| Recovery of trade debts | - | 30 |
| Sundry income | 81 | 59 |
| | <u>(500)</u> | <u>(45)</u> |

Included in the Group's 'other operating (expense)/income' for the period under review was a foreign exchange loss of S\$887,000 (HY 2021: S\$246,000). The foreign exchange losses in HY 2022 and HY 2021 were due mainly to the weakening of the Singapore dollar against the Hong Kong dollar as the Group has payables denominated in Hong Kong dollar, as well as the weakening of the Japanese Yen against the Hong Kong dollar and Singapore dollar as certain overseas subsidiaries within the Group have bank balances denominated in Japanese Yen and payables denominated in Singapore dollar. The loss was higher in HY 2022 due to the more unfavourable movements in the foreign exchange rates.

The insurance claim of S\$123,000 received in HY 2022 related to a minor fire incident at the Group's PCB mass lamination factory in Dongguan as announced on 2 March 2018.

During the period under review, higher grants and credits were received in Hong Kong, Shanghai and Japan from government measures to support businesses during the ongoing Covid-19 pandemic compared with the same period last year.

Note c

The decrease in administrative expenses was due mainly to the cost control measures implemented by the Group.

Note d

The decrease in finance cost was related to the lower lease liabilities, as explained in Explanatory Note g of Section B of this report.

Note e

The gain on translation of foreign operations in HY 2022 was due mainly to the strengthening of the Hong Kong dollar against the Singapore dollar. The gain on translation of foreign operations in HY 2021 was due mainly to the strengthening of the Chinese Renminbi against the Singapore dollar.

B. Statements of Financial Position

| | Group | | Company | |
|--|---------------|---------------|---------------|---------------|
| | 30.6.2022 | 31.12.2021 | 30.6.2022 | 31.12.2021 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Non-current assets: | | | | |
| Property, plant and equipment (Note a) | 5,888 | 6,205 | 10 | 5 |
| Right-of-use assets (Note b) | 7,467 | 8,969 | 318 | 368 |
| Investments in subsidiaries | - | - | 16,281 | 16,281 |
| | 13,355 | 15,174 | 16,609 | 16,654 |
| Current assets: | | | | |
| Cash and bank balances (Note c) | 9,021 | 16,687 | 230 | 1,691 |
| Bank deposits (Note c) | 6,191 | 1,013 | - | - |
| Inventories | 2,591 | 2,661 | 214 | 260 |
| Trade receivables (Note d) | 6,490 | 10,122 | 2,239 | 2,083 |
| Bill receivables (Note d) | 3,783 | 1,964 | - | - |
| Other receivables and prepayments | 382 | 1,210 | 84 | 82 |
| Amounts due from subsidiaries | - | - | 20 | 21 |
| | 28,458 | 33,657 | 2,787 | 4,137 |
| Total assets | 41,813 | 48,831 | 19,396 | 20,791 |
| Equity attributable to owners of the Company: | | | | |
| Share capital | 50,197 | 50,197 | 50,197 | 50,197 |
| Treasury shares | (307) | (307) | (307) | (307) |
| Foreign currency translation reserve | (1,907) | (2,206) | (87) | (92) |
| Reserve and Enterprise Expansion Funds (Note e) | 5,711 | 5,711 | - | - |
| Accumulated losses | (37,506) | (32,526) | (43,693) | (43,337) |
| | 16,188 | 20,869 | 6,110 | 6,461 |
| Non-current liabilities: | | | | |
| Bank borrowing (Note f) | 1,196 | 1,441 | 1,196 | 1,441 |
| Lease liabilities (Note g) | 6,488 | 7,855 | 170 | 229 |
| Provision for long service payment | 165 | 161 | - | - |
| | 7,849 | 9,457 | 1,366 | 1,670 |
| Current liabilities: | | | | |
| Bank borrowing (Note f) | 487 | 480 | 487 | 480 |
| Trust receipts (Note f) | - | 1,920 | - | 1,920 |
| Trade payables (Note h) | 12,362 | 10,527 | 2,675 | 2,241 |
| Other payables (Note i) | 1,962 | 2,459 | 285 | 491 |
| Income tax payable | 349 | 357 | - | - |
| Lease liabilities (Note g) | 2,616 | 2,762 | 164 | 158 |
| Amounts due to subsidiaries | - | - | 8,309 | 7,370 |
| | 17,776 | 18,505 | 11,920 | 12,660 |
| Total liabilities | 25,625 | 27,962 | 13,286 | 14,330 |
| Total equity and liabilities | 41,813 | 48,831 | 19,396 | 20,791 |

Explanatory Notes to the Statements of Financial Position:

Note a

The decrease in property, plant and equipment of the Group was due mainly to disposals, depreciation charge, and the effect of translating the financial statements of foreign subsidiaries into Singapore dollar during the period under review.

Note b

Right-of-use (“ROU”) assets relate mainly to leases of factories and offices occupied by various entities within the Group. The decrease in ROU assets was due mainly to depreciation charge and the effect of translating the financial statements of foreign subsidiaries into Singapore dollar.

Note c

Please refer to the statement of cash flows of the Group, found in Section C of this report.

Net cash from operating activities for HY 2022 was derived mainly from operating cash flows before changes in working capital and the improvement in working capital from trade receivables and trade payables during the period under review. Net cash from investing activities was marginal in HY 2022. Net cash used in financing activities in HY 2022 was mainly for the payment of trust receipts, lease liabilities and the related interest expense.

The Group ended HY 2022 with cash and cash equivalents of S\$15.2 million, including bank deposits of S\$6.2 million. Net cash, after accounting for loans from financial institutions of S\$1.7 million, was S\$13.5 million at 30 June 2022.

Note d

The decrease in total trade and bill receivables of the Group was due mainly to payments received and the lower business activities at the Group’s Manufacturing and Support Services business during the period under review.

Note e

Reserve and Enterprise Expansion Funds pertain to subsidiaries in China, and are appropriations of profits made in accordance with applicable laws and regulations.

Note f

The decreases in bank borrowing and trust receipts were due to repayment by the Group and Company during the period under review.

Note g

Lease liabilities relate mainly to leases of factories and offices occupied by various entities within the Group (see Note b above). The decrease in total lease liabilities of the Group was due mainly to lease payments made and the effect of translating the financial statements of foreign subsidiaries into Singapore dollar.

Note h

The increase in trade payables was due mainly to deposits received from customers for orders of PCB machines. These machines are scheduled to be delivered in the second half of the current financial year.

Note i

The decrease in other payables was due mainly to payments made and the lower business activities at the Group’s Manufacturing and Support Services business during the period under review.

C. Consolidated Statement of Cash Flows

| | HY 2022 | HY 2021 |
|--|----------------------|----------------------|
| | S\$'000 | S\$'000 |
| Cash flows from operating activities: | | |
| Loss before income tax | (4,979) | (5,096) |
| Adjustments for: | | |
| Amortisation of land use rights | 9 | 9 |
| Depreciation of property, plant and equipment | 127 | 545 |
| Depreciation of right-of-use assets | 1,377 | 1,355 |
| Interest expense | 347 | 424 |
| Interest income | (40) | (33) |
| Loss on disposal of property, plant and equipment | 20 | - |
| Write-back of allowance for doubtful debts | - | (30) |
| Write-back of allowance for inventory obsolescence | (3) | (15) |
| Unrealised foreign exchange loss | <u>838</u> | <u>313</u> |
| Operating cash flows before changes in working capital | (2,304) | (2,528) |
| | | |
| Trade receivables | 3,211 | 2,009 |
| Bill receivables | (1,819) | 273 |
| Other receivables | 828 | (152) |
| Inventories | 73 | (190) |
| Trade payables | 1,835 | (1,825) |
| Other payables | <u>(497)</u> | <u>(570)</u> |
| Cash flows from/(used in) operations | 1,327 | (2,983) |
| Income tax paid | <u>(2)</u> | <u>(96)</u> |
| Net cash flows from/(used in) operating activities | <u>1,325</u> | <u>(3,079)</u> |
| | | |
| Cash flows from investing activities: | | |
| Interest received | 40 | 33 |
| Proceeds from disposal of plant and equipment | 39 | - |
| Purchase of plant and equipment | <u>(1)</u> | <u>(62)</u> |
| Net cash flows from/(used in) investing activities | <u>78</u> | <u>(29)</u> |
| | | |
| Cash flows from financing activities: | | |
| Repayment of bank borrowing | (238) | - |
| Proceeds from trust receipts | - | 2,837 |
| Repayment of trust receipts | (1,920) | (2,644) |
| Repayment of lease liabilities | (1,360) | (1,263) |
| Interest paid on loans and borrowings | (45) | (53) |
| Interest paid on leasing arrangements | <u>(302)</u> | <u>(371)</u> |
| Net cash flows used in financing activities | <u>(3,865)</u> | <u>(1,494)</u> |
| | | |
| Net decrease in cash and cash equivalents | (2,462) | (4,602) |
| Cash and cash equivalents at beginning of period | 17,700 | 15,353 |
| Effects of exchange rate changes | <u>(26)</u> | <u>489</u> |
| Cash and cash equivalents at end of period | <u>15,212</u> | <u>11,240</u> |

D. Statements of Changes in Equity

| | Share Capital | Treasury Shares | Foreign Currency Translation Reserve | Surplus Reserve # | Accumulated Losses | Total Equity |
|---|---------------|-----------------|--------------------------------------|-------------------|--------------------|----------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| GROUP | | | | | | |
| Attributable to owners of the Company | | | | | | |
| At 1 January 2022 | 50,197 | (307) | (2,206) | 5,711 | (32,526) | 20,869 |
| Total comprehensive income for the period | | | | | | |
| Loss for the period | - | - | - | - | (4,980) | (4,980) |
| Other comprehensive income - foreign currency translation gain for foreign operations | - | - | 299 | - | - | 299 |
| Total | - | - | 299 | - | (4,980) | (4,681) |
| At 30 June 2022 | 50,197 | (307) | (1,907) | 5,711 | (37,506) | 16,188 |
| At 1 January 2021 | 50,197 | (307) | (3,773) | 5,711 | (21,890) | 29,938 |
| Total comprehensive income for the period | | | | | | |
| Loss for the period | - | - | - | - | (5,103) | (5,103) |
| Other comprehensive income - foreign currency translation gain for foreign operations | - | - | 1,074 | - | - | 1,074 |
| Total | - | - | 1,074 | - | (5,103) | (4,029) |
| At 30 June 2021 | 50,197 | (307) | (2,699) | 5,711 | (26,993) | 25,909 |
| COMPANY | | | | | | |
| At 1 January 2022 | 50,197 | (307) | (92) | - | (43,337) | 6,461 |
| Total comprehensive income for the period | | | | | | |
| Loss for the period | - | - | - | - | (356) | (356) |
| Other comprehensive income - foreign currency translation gain for foreign operations | - | - | 5 | - | - | 5 |
| Total | - | - | 5 | - | (356) | (351) |
| At 30 June 2022 | 50,197 | (307) | (87) | - | (43,693) | 6,110 |
| At 1 January 2021 | 50,197 | (307) | (87) | - | (40,733) | 9,070 |
| Total comprehensive income for the period | | | | | | |
| Loss for the period | - | - | - | - | (660) | (660) |
| Other comprehensive income - foreign currency translation loss for foreign operations | - | - | (4) | - | - | (4) |
| Total | - | - | (4) | - | (660) | (664) |
| At 30 June 2021 | 50,197 | (307) | (91) | - | (41,393) | 8,406 |

Surplus Reserve refers to Reserve Fund and Enterprise Expansion Fund (see Explanatory Note e of Section B).

E. Notes to the Interim Financial Statements

1 Corporate information

Jadason Enterprises Ltd (the “Company”) is incorporated and domiciled in Singapore. The registered office and principal place of business of the Company is located at 3 Kaki Bukit Crescent #03-01, Singapore 416237.

These interim consolidated financial statements as at and for the six-month period ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Company are those of an investment holding company and the distribution of machines and supplies for the printed circuit board (“PCB”) industry. The Company also operates through Jadason Enterprises Ltd, Taiwan Branch (the “Branch”) in the Republic of China. The principal activities of the Branch are the promotion of sales and rendering of after-sales service and maintenance.

The principal activities of the subsidiaries are the provision of equipment and supplies, equipment after-sales support and services to the PCB industry. The Group also provides PCB drilling and PCB mass lamination services in China.

2 Basis of preparation

- 2.1 The interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.2.

The interim financial statements are presented in Singapore dollar, which is the Company’s functional currency.

- 2.2 New and amended standards adopted by the Group

A number of amendments to SFRS(I)s have become applicable for the current financial period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

- 2.3 Use of estimates and judgements

In preparing the interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group has substantial operations in China, and generally experiences slower business during the lunar new year holidays each year as many factories and businesses in China are shut down during this festive period. As with most firms in the PCB industry, the Group also generally sees higher sales in the second half of the calendar year. However, past performance is not necessarily indicative of the future sales trend.

4. Segment and revenue information

For management purposes, the Group is organised into business units based on their products and services, and has the following reportable operating segments:

Equipment and supplies

Equipment and supplies includes the provision of equipment and supplies to the PCB industry.

Manufacturing and support services

Manufacturing and support services includes the provision of equipment after-sales support and services, PCB drilling services and PCB mass lamination services in China.

Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

Transfer prices, if any, between operating segments are in a manner similar to transactions with third parties.

| | Equipment and supplies | Manufacturing and support services | Total |
|---|------------------------------|--|----------------|
| | S\$'000 | S\$'000 | S\$'000 |
| <u>HY 2022</u> | | | |
| Revenue: | | | |
| - External sales | <u>12,957</u> | <u>3,189</u> | <u>16,146</u> |
| Total | <u>12,957</u> | <u>3,189</u> | <u>16,146</u> |
| Results: | | | |
| Adjusted EBITDA* | (767) | (2,392) | (3,159) |
| Interest income | 1 | 39 | 40 |
| Amortisation of land use rights | - | (9) | (9) |
| Depreciation of property, plant and equipment | (8) | (119) | (127) |
| Depreciation of right-of-use assets | <u>(98)</u> | <u>(1,279)</u> | <u>(1,377)</u> |
| Loss from operations | (872) | (3,760) | (4,632) |
| Interest expense | <u>(44)</u> | <u>(303)</u> | <u>(347)</u> |
| Loss before income tax | (916) | (4,063) | (4,979) |
| Income tax expense | - | (1) | (1) |
| Loss for the period | <u>(916)</u> | <u>(4,064)</u> | <u>(4,980)</u> |
| Assets / Liabilities: | | | |
| Segment assets | 15,204 | 26,609 | 41,813 |
| Segment liabilities | 13,471 | 12,154 | 25,625 |
| Other segment information: | | | |
| Purchase of property, plant and equipment | - | 1 | 1 |
| Addition of right-of-use assets | 28 | - | 28 |
| Write-back of allowance for inventory obsolescence | 3 | - | 3 |

| | Equipment and supplies | Manufacturing and support services | Total |
|--|------------------------|------------------------------------|----------------|
| | S\$'000 | S\$'000 | S\$'000 |
| <u>HY 2021</u> | | | |
| Revenue: | | | |
| - External sales | <u>7,603</u> | <u>6,178</u> | <u>13,781</u> |
| Total | <u>7,603</u> | <u>6,178</u> | <u>13,781</u> |
| Results: | | | |
| Adjusted EBITDA* | (535) | (2,261) | (2,796) |
| Interest income | 5 | 28 | 33 |
| Amortisation of land use rights | - | (9) | (9) |
| Depreciation of property, plant and equipment | (5) | (540) | (545) |
| Depreciation of right-of-use assets | <u>(64)</u> | <u>(1,291)</u> | <u>(1,355)</u> |
| Loss from operations | (599) | (4,073) | (4,672) |
| Interest expense | <u>(51)</u> | <u>(373)</u> | <u>(424)</u> |
| Loss before income tax | (650) | (4,446) | (5,096) |
| Income tax expense | - | (7) | (7) |
| Loss for the period | <u>(650)</u> | <u>(4,453)</u> | <u>(5,103)</u> |
| Assets / Liabilities: | | | |
| Segment assets | 11,826 | 41,342 | 53,168 |
| Segment liabilities | 11,452 | 15,807 | 27,259 |
| Other segment information: | | | |
| Purchase of property, plant and equipment | 9 | 53 | 62 |
| Addition of right-of-use assets | - | 50 | 50 |
| Write-back of allowance for inventory obsolescence | 9 | 6 | 15 |
| Write-back of allowance for doubtful debts | 30 | - | 30 |

* Adjusted EBITDA – Earnings before interest, taxation, depreciation, amortisation and impairment loss on property, plant and equipment.

Revenue of the Group by operating segments and primary geographical markets:

| | Equipment and supplies | | Manufacturing and support services | | Total | |
|--------------------------------|------------------------|--------------|------------------------------------|--------------|---------------|---------------|
| | HY 2022 | HY 2021 | HY 2022 | HY 2021 | HY 2022 | HY 2021 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Singapore | 4,128 | 2,987 | 666 | 641 | 4,794 | 3,628 |
| The People's Republic of China | 7,583 | 4,074 | 2,132 | 5,124 | 9,715 | 9,198 |
| Others | <u>1,246</u> | <u>542</u> | <u>391</u> | <u>413</u> | <u>1,637</u> | <u>955</u> |
| | <u>12,957</u> | <u>7,603</u> | <u>3,189</u> | <u>6,178</u> | <u>16,146</u> | <u>13,781</u> |

Non-current assets of the Group based on the geographical location of assets:

| | Non-current assets | |
|--------------------------------|--------------------|---------------|
| | 30.6.2022 | 30.6.2021 |
| | S\$'000 | S\$'000 |
| Singapore | 328 | 450 |
| The People's Republic of China | 12,956 | 18,492 |
| Others | <u>71</u> | <u>265</u> |
| | <u>13,355</u> | <u>19,207</u> |

Non-current assets comprise property, plant and equipment and right-of-use assets as presented in the consolidated statement of financial position.

5. Loss before taxation

Loss for the period has been arrived after crediting/(charging) the following:

| | HY 2022 S\$'000 | HY 2021 S\$'000 |
|--|--------------------|--------------------|
| Foreign exchange loss, net | (887) | (246) |
| Amortisation of land use rights | (9) | (9) |
| Depreciation of property, plant and equipment | (127) | (545) |
| Depreciation of right-of-use assets | (1,377) | (1,355) |
| Loss on disposal of property, plant and equipment | (20) | - |
| Write-back of allowance for inventory obsolescence | 3 | 15 |
| Write-back of allowance for doubtful debts | - | 30 |

6. Taxation

The Group calculates the income tax expense using the statutory tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim consolidated statement of profit or loss for HY 2022 and HY 2021 related to withholding tax paid and adjustment for under-provision of tax in respect of prior years respectively.

7. Loss per share

The calculation of loss per share (basic and diluted) is based on weighted average number of ordinary shares of 722,395,000 (HY 2021: 722,395,000).

There was no difference between the basic and diluted loss per share as the Company has no dilutive instruments as at 30 June 2022 and 30 June 2021.

8. Net asset value

| | Group | | Company | |
|------------------------------------|-----------|------------|-----------|------------|
| | 30.6.2022 | 31.12.2021 | 30.6.2022 | 31.12.2021 |
| | Cents | Cents | Cents | Cents |
| Net asset value per ordinary share | 2.24 | 2.89 | 0.85 | 0.89 |

The calculation of net asset value per ordinary share was based on 722,395,000 shares as at 30 June 2022 (31 December 2021: 722,395,000).

9. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired assets amounting to S\$1,000 (HY 2021: S\$62,000) and disposed of S\$59,000 (HY 2021: nil) of assets.

10. Borrowings

| | Group | | Company | |
|---|------------|--------------|------------|--------------|
| | 30.6.2022 | 31.12.2021 | 30.6.2022 | 31.12.2021 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Amount repayable in one year or less (unsecured) | | | | |
| Bank loans | 487 | 480 | 487 | 480 |
| Trust receipts | - | 1,920 | - | 1,920 |
| | <u>487</u> | <u>2,400</u> | <u>487</u> | <u>2,400</u> |
| Amount repayable after one year (unsecured) | | | | |
| Bank loans | 1,196 | 1,441 | 1,196 | 1,441 |
| Total loans and borrowings | 1,683 | 3,841 | 1,683 | 3,841 |

11. Share capital

| Group and Company | 30.6.2022 | | 31.12.2021 | |
|--|-----------------------|---------|-----------------------|---------|
| | No. of shares '000 | S\$'000 | No. of shares '000 | S\$'000 |
| Issued and fully paid: | | | | |
| Balance at beginning and end of financial period | 726,065 | 50,197 | 726,065 | 50,197 |

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares (except treasury shares) carry one vote per share. The ordinary shares have no par value.

The total number of issued shares excluding treasury shares as at 30 June 2022 was 722,395,000 (31 December 2021: 722,395,000).

Treasury shares

| | Number of treasury shares |
|---|---------------------------|
| Balance as at 30 June 2021, 1 January 2022 and 30 June 2022 | (3,670,000) |

The treasury shares held by the Company as at 30 June 2022 represent 0.51% (31 December 2021: 0.51%) of the total number of issued shares excluding treasury shares.

Subsidiary holdings

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

12. Subsequent events

There are no known material subsequent events which have resulted in adjustments to this set of interim financial statements.

F. Other information required by Listing Rule Appendix 7.2

1. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The interim statements of financial position of Jadason Enterprises Ltd and its subsidiaries as at 30 June 2022 and the related interim consolidated statement of profit or loss and other comprehensive income, interim statements of changes in equity and interim consolidated statement of cash flows for the period then ended and certain explanatory notes have not been audited or reviewed.

2. 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 | |
|------------------------------------|---------------|---------------|----------------------|----------------|
| | HY 2022 | HY 2021 | HY 2022 | HY 2021 |
| Business Segments: | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Equipment and Supplies | 12,957 | 7,603 | (872) | (599) |
| Manufacturing and Support Services | 3,189 | 6,178 | (3,760) | (4,073) |
| Total | 16,146 | 13,781 | (4,632) | (4,672) |

Revenue for HY 2022 was S\$16.1 million, 17% higher than HY 2021 revenue of S\$13.8 million. The Group posted a loss from operations of S\$4.6 million during the period under review, compared with a loss from operations of S\$4.7 million for HY 2021.

Revenue of the Equipment and Supplies business for HY 2022 increased by S\$5.4 million, or 70%, compared with HY 2021 due mainly to higher sales of equipment to PCB manufacturers in China, reflecting the expansion plans of these customers. However, the business segment posted a higher operating loss of S\$0.9 million (HY 2021: S\$0.6 million) for the period under review due mainly to the foreign exchange loss as explained in Note b of Section A of this report and unfavourable change in sales mix as sales of supplies were lower because of Covid-19 lockdown in Shanghai.

Revenue of the Manufacturing and Support Services business for HY 2022 decreased by S\$3.0 million, or 48%, to S\$3.2 million compared with HY 2021 due to weaker demand for PCB drilling services and PCB mass lamination in China amidst the component shortages and the impact of US-China tensions faced by some of our customers. As a result of the under utilisation of capacity, absorption of overhead costs was impacted and this business segment reported a loss from operations of S\$3.8 million for HY 2022 (HY 2021: S\$4.1 million). The decrease in loss from operations in HY 2022 was due mainly to cost control measures implemented by the Group in response to the reduced demand and the insurance claim received as mentioned in page 3 of this report.

Please also refer to the explanatory notes provided in Sections A and B of this report.

3. 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 2022.

4. 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.

Sales of PCB equipment are likely to remain stable in the second half of the current financial year. However, China's commitment to curbing the spread of Covid-19 with rolling lockdowns and quarantines could lead to more economic uncertainty, and this may affect the performance of our Equipment and Supplies business segment.

The component shortages and trade tensions between the US and China continue to disrupt the business of some of our customers in China, and affect the flow of manufacturing and support services jobs to the Group's factories. Coupled with the sluggish economy in China, the outlook for our Manufacturing and Support Services business remains very challenging.

Against this backdrop, the Group will continue to work on cost controls and rationalising its operations, including exiting the PCB mass lamination business by the end of the financial year. This business has experienced reduced demand and incurred losses in recent years, and its property, plant and equipment has been fully impaired. The exit of this business is expected to result in significant savings in operating costs in 2023. The Group will also strive to maintain sufficient liquidity and look for opportunities to diversify its revenue streams.

5. Dividend

(a) Current financial period reported on

No interim dividend is declared.

(b) Corresponding period of the immediately preceding financial year

Nil.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

6. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared for the half year ended 30 June 2022 as the Group wishes to conserve financial resources in the face of challenging operating environment.

7. **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.

8. **Confirmation pursuant to Rule 720(1) of the Listing Manual**

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 Listing Manual.

9. **Confirmation by the board pursuant to Rule 705(5) of the Listing Manual**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the interim financial statements for the six-month period ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Fung Chi Wai
Chief Executive Officer

Linna Hui Min
Director

BY ORDER OF THE BOARD

Fung Chi Wai
Chief Executive Officer
15 August 2022