

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

**Interim Financial Statements for the Half Year Ended 30 June 2021 ("HY  
2021")**

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

	HY 2021	HY 2020	Increase/ (Decrease)
	S\$'000	S\$'000	%
Revenue (Note a)	13,781	16,666	(17)
Cost of sales	<u>(13,707)</u>	<u>(15,745)</u>	(13)
Gross profit (Note a)	74	921	(92)
Other operating (expense)/income (Note b)	(45)	452	NM
Selling and distribution expenses	(579)	(603)	(4)
Administrative expenses	<u>(4,122)</u>	<u>(3,914)</u>	5
Loss from operations (Note a)	(4,672)	(3,144)	49
Finance cost (Note c)	<u>(424)</u>	<u>(470)</u>	(10)
Loss before income tax	(5,096)	(3,614)	41
Income tax (Note d)	<u>(7)</u>	<u>(24)</u>	(71)
Loss for the period attributable to owners of the Company	<u>(5,103)</u>	<u>(3,638)</u>	40
<b>Other comprehensive income:</b>			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Exchange differences on translating foreign operations (Note e)	<u>1,074</u>	<u>1,096</u>	(2)
Other comprehensive income for the financial period, net of tax	<u>1,074</u>	<u>1,096</u>	
<b>Total comprehensive income for the period attributable to owners of the Company</b>	<u>(4,029)</u>	<u>(2,542)</u>	58
<b>Loss per share attributable to owners of the Company</b> (See Section E, Note 7)			
Basic and diluted (cents)	<u>(0.71)</u>	<u>(0.50)</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 2021	HY 2020
	S\$'000	S\$'000
Other operating (expense)/income:		
Foreign exchange loss, net	(246)	(222)
Interest income from financial institutions	33	33
Income from scrap sales	11	254
Government grants	62	216
Profit on disposal of property, plant and equipment	-	30
Recovery of trade debts	30	-
Sundry income	<u>65</u>	<u>141</u>
	<u>(45)</u>	<u>452</u>

Included in the Group's 'other operating (expense)/income' for the period under review was a foreign exchange loss of S\$246,000 (HY 2020: S\$222,000). The foreign exchange loss in HY 2021 was 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 foreign exchange loss incurred in HY 2020 was due mainly to the weakening of the Singapore dollar and Chinese Renminbi against the Hong Kong dollar, as the Group had certain payables denominated in the latter currency.

Excluding the foreign exchange loss, other operating income decreased during the period under review due mainly to lower sales of scrap materials and lower grants and credits received from government measures to support businesses during the Covid-19 pandemic.

Note c

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

Note d

An income tax charge arose during the periods under review in spite of the loss before income tax due to under-provision of taxation in respect of prior years.

Note e

The gain on translation of foreign operations during the periods under review was due mainly to the strengthening of the Chinese Renminbi against the Singapore dollar.

NM – Percentage changes are not meaningful.

## B. Statements of Financial Position

	Group		Company	
	30.6.2021	31.12.2020	30.6.2021	31.12.2020
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets:</b>				
Property, plant and equipment (Note a)	9,209	9,385	4	-
Right-of-use assets (Note b)	9,998	11,026	446	523
Investments in subsidiaries	-	-	17,748	17,748
	<b>19,207</b>	<b>20,411</b>	<b>18,198</b>	<b>18,271</b>
<b>Current assets:</b>				
Cash and bank balances (Note c)	11,240	15,353	1,966	2,384
Inventories	3,603	3,398	305	248
Trade receivables (Note d)	11,833	13,812	2,070	1,645
Bill receivables (Note d)	6,433	6,706	-	-
Other receivables and prepayments	852	700	68	82
Amounts due from subsidiaries	-	-	7	21
	<b>33,961</b>	<b>39,969</b>	<b>4,416</b>	<b>4,380</b>
<b>Total assets</b>	<b>53,168</b>	<b>60,380</b>	<b>22,614</b>	<b>22,651</b>
<b>Equity attributable to owners of the Company:</b>				
Share capital	50,197	50,197	50,197	50,197
Treasury shares	(307)	(307)	(307)	(307)
Foreign currency translation reserve	(2,699)	(3,773)	(91)	(87)
Reserve and Enterprise Expansion Funds (Note e)	5,711	5,711	-	-
Accumulated losses	(26,993)	(21,890)	(41,393)	(40,733)
	<b>25,909</b>	<b>29,938</b>	<b>8,406</b>	<b>9,070</b>
<b>Non-current liabilities:</b>				
Bank borrowings	1,667	1,917	1,667	1,917
Lease liabilities (Note f)	8,987	10,006	306	387
Provision for long service payment	161	159	-	-
	<b>10,815</b>	<b>12,082</b>	<b>1,973</b>	<b>2,304</b>
<b>Current liabilities:</b>				
Bank borrowings	333	83	333	83
Trust receipts	1,939	1,746	1,939	1,746
Trade payables (Note g)	9,089	10,914	2,161	1,595
Other payables (Note g)	2,156	2,726	283	466
Income tax payable	350	428	-	-
Lease liabilities (Note f)	2,577	2,463	155	147
Amounts due to subsidiaries	-	-	7,364	7,240
	<b>16,444</b>	<b>18,360</b>	<b>12,235</b>	<b>11,277</b>
<b>Total liabilities</b>	<b>27,259</b>	<b>30,442</b>	<b>14,208</b>	<b>13,581</b>
<b>Total equity and liabilities</b>	<b>53,168</b>	<b>60,380</b>	<b>22,614</b>	<b>22,651</b>

**Explanatory Notes to the Statements of Financial Position:**

Note a

The decrease in property, plant and equipment was due mainly to depreciation charge, offset partially by additions of equipment 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, and are recognised following the adoption of Singapore Financial Reporting Standards (International) (“SFRS(I)”) 16 Leases in FY2019 (see also Note f below). The decrease in ROU assets was due mainly to depreciation charge, offset partially by new leases 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.

Note d

The decreases in trade and bill receivables of the Group were due mainly to payments received and the lower business activities 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

Lease liabilities relate mainly to leases of factories and offices occupied by various entities within the Group, and are recognised following the adoption of SFRS(I) 16 Leases in FY2019 (see Note b above). The decrease in total lease liabilities of the Group was due mainly to lease payments made, offset partially by new leases and the effect of translating the financial statements of foreign subsidiaries into Singapore dollar.

Note g

The decreases in trade and other payables of the Group were due mainly to payments made and the lower business activities during the period under review.

**C. Consolidated Statement of Cash Flows**

	HY 2021	HY 2020
	SS'000	SS'000
<b>Cash flows from operating activities:</b>		
Loss before income tax	(5,096)	(3,614)
Adjustments for:		
Amortisation of land use rights	9	8
Depreciation of property, plant and equipment	545	602
Depreciation of right-of-use assets	1,355	1,408
Interest expense	424	470
Interest income	(33)	(33)
Profit on disposal of property, plant and equipment	-	(30)
Write-back of allowance for doubtful debts	(30)	-
Write-back of allowance for inventory obsolescence	(15)	-
Unrealised foreign exchange loss	313	179
Operating cash flows before changes in working capital	(2,528)	(1,010)
Trade receivables	2,009	4,760
Bill receivables	273	(4,652)
Other receivables	(152)	141
Inventories	(190)	203
Trade payables	(1,825)	449
Other payables	(570)	(734)
Cash flows used in operations	(2,983)	(843)
Income tax paid	(96)	(25)
Net cash flows used in operating activities	(3,079)	(868)
<b>Cash flows from investing activities:</b>		
Interest received	33	33
Proceeds from disposal of plant and equipment	-	30
Purchase of plant and equipment	(62)	(207)
Net cash flows used in investing activities	(29)	(144)
<b>Cash flows from financing activities:</b>		
Repayment of loans and borrowings	-	(1,000)
Proceeds from trust receipts	2,837	2,423
Repayment of trust receipts	(2,644)	(3,159)
Repayment of lease liabilities	(1,263)	(1,094)
Interest paid on loans and borrowings	(53)	(55)
Interest paid on leasing arrangements	(371)	(415)
Net cash flows used in financing activities	(1,494)	(3,300)
<b>Net decrease in cash and cash equivalents</b>	<b>(4,602)</b>	<b>(4,312)</b>
Cash and cash equivalents at beginning of period	15,353	11,233
Effects of exchange rate changes	489	773
<b>Cash and cash equivalents at end of period</b>	<b>11,240</b>	<b>7,694</b>

**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
<b>GROUP</b>						
<b>Attributable to owners of the Company</b>						
At 1 January 2021	50,197	(307)	(3,773)	5,711	(21,890)	29,938
<b>Total comprehensive income for the period</b>						
Loss for the period	-	-	-	-	(5,103)	(5,103)
Other comprehensive income - foreign currency translation gain for foreign operations	-	-	1,074	-	-	1,074
<b>Total</b>	-	-	<b>1,074</b>	-	<b>(5,103)</b>	<b>(4,029)</b>
At 30 June 2021	50,197	(307)	(2,699)	5,711	(26,993)	25,909
At 1 January 2020	50,197	(307)	(4,849)	5,711	(17,814)	32,938
<b>Total comprehensive income for the period</b>						
Loss for the period	-	-	-	-	(3,638)	(3,638)
Other comprehensive income - foreign currency translation gain for foreign operations	-	-	1,096	-	-	1,096
<b>Total</b>	-	-	<b>1,096</b>	-	<b>(3,638)</b>	<b>(2,542)</b>
At 30 June 2020	50,197	(307)	(3,753)	5,711	(21,452)	30,396
<b>COMPANY</b>						
At 1 January 2021	50,197	(307)	(87)	-	(40,733)	9,070
<b>Total comprehensive income for the period</b>						
Loss for the period	-	-	-	-	(660)	(660)
Other comprehensive income - foreign currency translation loss for foreign operations	-	-	(4)	-	-	(4)
<b>Total</b>	-	-	<b>(4)</b>	-	<b>(660)</b>	<b>(664)</b>
At 30 June 2021	50,197	(307)	(91)	-	(41,393)	8,406
At 1 January 2020	50,197	(307)	(81)	-	(23,493)	26,316
<b>Total comprehensive income for the period</b>						
Loss for the period	-	-	-	-	(870)	(870)
Other comprehensive income - foreign currency translation loss for foreign operations	-	-	(8)	-	-	(8)
<b>Total</b>	-	-	<b>(8)</b>	-	<b>(870)</b>	<b>(878)</b>
At 30 June 2020	50,197	(307)	(89)	-	(24,363)	25,438

# Surplus Reserve refers to Reserve Fund and Enterprise Expansion Fund (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 2021 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 2021 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 2020.

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 2020.

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
<u>HY 2021</u>	S\$'000	S\$'000	S\$'000
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
Depreciation of property, plant and equipment	(5)	(540)	(545)
Depreciation of right-of-use assets	(64)	(1,291)	(1,355)
Amortisation of land use rights	-	(9)	(9)
Operating loss	(599)	(4,073)	(4,672)
Interest expense	(51)	(373)	(424)
Loss before income tax	(650)	(4,446)	(5,096)
Income tax expense	-	(7)	(7)
Loss for the period	(650)	(4,453)	(5,103)
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
<u>HY 2020</u>			
Revenue:			
- External sales	<u>8,991</u>	<u>7,675</u>	<u>16,666</u>
Total	<u>8,991</u>	<u>7,675</u>	<u>16,666</u>
Results:			
Adjusted EBITDA*	(199)	(960)	(1,159)
Interest income	9	24	33
Depreciation of property, plant and equipment	(16)	(586)	(602)
Depreciation of right-of-use assets	(90)	(1,318)	(1,408)
Amortisation of land use rights	-	(8)	(8)
Operating loss	(296)	(2,848)	(3,144)
Interest expense	(53)	(417)	(470)
Loss before income tax	(349)	(3,265)	(3,614)
Income tax expense	-	(24)	(24)
Loss for the period	(349)	(3,289)	(3,638)

HY 2020 (cont'd)	Equipment and supplies	Manufacturing and support services	Total
	S\$'000	S\$'000	S\$'000
Assets / Liabilities:			
Segment assets	9,049	46,760	55,809
Segment liabilities	8,567	16,846	25,413
Other segment information:			
Purchase of property, plant and equipment	75	132	207
Addition of right-of-use assets	321	-	321
Profit on disposal of property, plant and equipment	-	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 2021	HY 2020	HY 2021	HY 2020	HY 2021	HY 2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	2,987	2,459	641	437	3,628	2,896
The People's Republic of China	4,074	6,026	5,124	6,651	9,198	12,677
Others	542	506	413	587	955	1,093
	<u>7,603</u>	<u>8,991</u>	<u>6,178</u>	<u>7,675</u>	<u>13,781</u>	<u>16,666</u>

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

	Non-current assets	
	30.6.2021	30.6.2020
	S\$'000	S\$'000
Singapore	450	406
The People's Republic of China	18,492	21,695
Others	265	413
	<u>19,207</u>	<u>22,514</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 2021 S\$'000	HY 2020 \$'000
Foreign exchange loss, net	(246)	(222)
Amortisation of land use rights	(9)	(8)
Depreciation of property, plant and equipment	(545)	(602)
Depreciation of right-of-use assets	(1,355)	(1,408)
Profit on disposal of property, plant and equipment	-	30
Write-back of allowance for inventory obsolescence	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 related to adjustment for under-provision of tax in respect of prior years.

**7. Loss per share**

The calculation of loss per share (basic and diluted) for the six-month period ended 30 June 2021 is based on weighted average number of ordinary shares of 722,395,000 (HY 2020: 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 2021 and 30 June 2020.

**8. Net asset value**

	Group		Company	
	30.6.2021	31.12.2020	30.6.2021	31.12.2020
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	3.59	4.14	1.16	1.26

The calculation of net asset value per ordinary share was based on 722,395,000 shares as at 30 June 2021 (31 December 2020: 722,395,000).

**9. Property, plant and equipment**

During the six months ended 30 June 2021, the Group acquired assets amounting to S\$62,000 (HY 2020: S\$207,000) and disposed of nil (HY 2020: nil) assets.

## 10. Borrowings

	Group		Company	
	30.6.2021	31.12.2020	30.6.2021	31.12.2020
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Amount repayable in one year or less (unsecured)</b>				
Bank loans	333	83	333	83
Trust receipts	<u>1,939</u>	<u>1,746</u>	<u>1,939</u>	<u>1,746</u>
	<u>2,272</u>	<u>1,829</u>	<u>2,272</u>	<u>1,829</u>
<b>Amount repayable after one year (unsecured)</b>				
Bank loans	1,667	1,917	1,667	1,917
Total loans and borrowings	3,939	3,746	3,939	3,746

## 11. Share capital

Group and Company	30.6.2021		31.12.2020	
	No. of shares		No. of shares	
	'000	S\$'000	'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 2021 was 722,395,000 (31 December 2020: 722,395,000).

### Treasury shares

	Number of treasury shares
Balance as at 30 June 2020, 1 January 2021 and 30 June 2021	(3,670,000)

The treasury shares held by the Company as at 30 June 2021 represent 0.51% (30 June 2020: 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 2021 and 31 December 2020.

## 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 2021 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 six-month 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 2021	HY 2020	HY 2021	HY 2020
Business Segments:	S\$'000	S\$'000	S\$'000	S\$'000
Equipment and Supplies	7,603	8,991	(599)	(296)
Manufacturing and Support Services	6,178	7,675	(4,073)	(2,848)
<b>Total</b>	<b>13,781</b>	<b>16,666</b>	<b>(4,672)</b>	<b>(3,144)</b>

Revenue for HY 2021 was S\$13.8 million, 17% lower than HY 2020 revenue of S\$16.7 million as weak demand persisted to hamper the performance of both of the Group's business segments. The Group posted a loss from operations of S\$4.7 million during the period under review, compared with S\$3.1 million for HY 2020.

Revenue for the Equipment and Supplies business for HY 2021 decreased by S\$1.4 million, or 15%, compared with HY 2020 due mainly to lower sales of equipment to printed circuit board ("PCB") manufacturers in China. The business segment posted an operating loss of S\$0.6 million (HY 2020: S\$0.3 million) for the period under review.

Revenue of the Manufacturing and Support Services business for HY 2021 decreased by S\$1.5 million, or 20%, to S\$6.2 million compared with HY 2020 due to weaker demand for PCB drilling and PCB mass lamination services 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 lower margin and a loss from operations of S\$4.1 million for HY 2021 (HY 2020: S\$2.8 million).

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 26 February 2021.

**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.**

Many countries in Asia are currently seeing a surge in coronavirus infections, forcing governments to tighten measures to contain the outbreaks. The Covid-19 situation has resulted in a delay in the execution of orders for PCB equipment at our Equipment and Supplies business segment. The Group has accumulated a backlog of such orders which are expected to be completed in the second half of this year.

The trade tensions between the US and China and component shortages continue to disrupt the business of some of our customers in China, in turn affecting the flow of manufacturing and support services jobs to the Group's factories. The Group is implementing new strategies to expand its customer base and to increase the utilisation of its machines. These have contributed to better performance in the months of July and August 2021. However, the outlook for our Manufacturing and Support Services business is clouded by the uncertainties caused by the Covid-19 situation.

**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 2021 as the Group wishes to conserve financial resources in the face of economic uncertainty.

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 2021 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  
13 August 2021