

**JADASON ENTERPRISES LTD (REG. NO. 199003898K)**

**Financial Statement And Dividend Announcement for the Six Months Period Ended 30 June 2020**

**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 six months period ended 30 June 2020 ("HY 2020"):

	S\$'000		%
	HY 2020	HY 2019	Increase/ (Decrease)
Revenue (Note 1)	16,666	22,047	(24)
Cost of sales	<u>(15,745)</u>	<u>(19,604)</u>	(20)
Gross profit (Note 1)	921	2,443	(62)
Other operating income (Note 2)	452	414	9
Selling and distribution expenses (Note 3)	(603)	(818)	(26)
Administrative expenses (Note 3)	<u>(3,914)</u>	<u>(4,618)</u>	(15)
Loss from operations	(3,144)	(2,579)	22
Finance cost (Note 4)	<u>(470)</u>	<u>(580)</u>	(19)
Loss before income tax	(3,614)	(3,159)	14
Income tax (Note 5)	<u>(24)</u>	<u>(134)</u>	(82)
Loss after income tax	<u>(3,638)</u>	<u>(3,293)</u>	10
Attributable to: Equity holders of the Company	<u>(3,638)</u>	<u>(3,293)</u>	10

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

	S\$'000		%
	HY 2020	HY 2019	Increase/ (Decrease)
Foreign exchange (loss)/gain (Note 2)	(222)	78	NM
Depreciation of property, plant and equipment	(610)	(999)	(39)
Depreciation of right-of- use assets	(1,408)	(1,541)	(9)
Profit/(loss) on disposal of property, plant and equipment	30	(4)	NM
Write-off of plant and equipment	-	(6)	(100)

Notes to Income Statement:

Note 1

Please refer to Section 8 of this report for further discussions on the performance of the Group's operating segments.

Note 2

Included in the Group's 'other operating income' for the period under review was a foreign exchange loss of S\$222,000 (HY 2019: foreign exchange gain of S\$78,000). The foreign exchange loss for 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 gain or loss, other operating income increased during the period under review due mainly to grants and credits received from government measures to support businesses during the Covid-19 pandemic.

Note 3

The decreases in expenses were due mainly to cost containment measures implemented by the Group in the light of reduced business activities caused by the Covid-19 outbreak.

Note 4

The decrease in finance cost was related to the lower lease liabilities, as explained in Note 10 of Section 1(b)(i) of this report.

Note 5

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

An income tax charge arose in HY 2019 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.

Unaudited statement of comprehensive income of the Group for the six months period ended 30 June 2020:

	HY 2020	HY 2019	Increase / (Decrease)
	S\$'000	S\$'000	%
Loss after income tax for the period	(3,638)	(3,293)	10
Other comprehensive income:			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Exchange differences on translating foreign operations #	<u>1,096</u>	<u>(374)</u>	NM
	1,096	(374)	
Total comprehensive income for the period	<u>(2,542)</u>	<u>(3,667)</u>	(31)
Total comprehensive income attributable to:			
Equity holders of the Company	<u>(2,542)</u>	<u>(3,667)</u>	(31)

# The gain on translation of foreign operations during the period under review was due mainly to the strengthening of the Chinese Renminbi against the Singapore dollar. In contrast, the Chinese Renminbi weakened against the Singapore dollar during the same period last year, resulting in a loss on translation of foreign operations.

**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 30 June 2020 and 31 December 2019:

	Group		Company	
	30.6.2020	31.12.2019	30.6.2020	31.12.2019
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and bank balances (Note 1)	7,694	10,425	479	810
Bank deposits (Note 1)	-	808	-	-
Inventories (Note 2)	3,716	3,919	391	345
Trade receivables (Note 3)	11,651	16,411	1,488	1,579
Bill receivables (Note 4)	9,374	4,722	-	-
Other receivables and prepayments	860	1,001	102	89
Amounts due from subsidiaries	-	-	267	206
<b>Total</b>	<b>33,295</b>	<b>37,286</b>	<b>2,727</b>	<b>3,029</b>
<b>Non-current assets:</b>				
Property, plant and equipment (Note 5)	10,711	10,771	93	31
Right-of-use assets (Note 6)	11,803	12,972	313	93
Subsidiaries	-	-	33,666	33,666
<b>Total</b>	<b>22,514</b>	<b>23,743</b>	<b>34,072</b>	<b>33,790</b>
<b>TOTAL ASSETS</b>	<b>55,809</b>	<b>61,029</b>	<b>36,799</b>	<b>36,819</b>

	Group		Company	
	30.6.2020	31.12.2019	30.6.2020	31.12.2019
	S\$'000	S\$'000	S\$'000	S\$'000
<b>LIABILITIES &amp; EQUITY</b>				
<b>Current liabilities:</b>				
Bank borrowings (Note 7)	-	1,000	-	1,000
Trust receipts	1,378	2,114	1,378	1,480
Trade payables (Note 8)	8,330	7,702	1,790	1,791
Other payables (Note 9)	2,183	2,917	313	514
Income tax payable	274	269	-	-
Lease liabilities (Note 10)	2,406	2,318	158	77
Amounts due to subsidiaries	-	-	7,565	5,634
<b>Total</b>	<b>14,571</b>	<b>16,320</b>	<b>11,204</b>	<b>10,496</b>
<b>Non-current liabilities:</b>				
Lease liabilities (Note 10)	10,674	11,610	157	7
Provision for long service payment	168	161	-	-
<b>Total</b>	<b>10,842</b>	<b>11,771</b>	<b>157</b>	<b>7</b>
<b>Capital &amp; reserves:</b>				
Share capital	50,197	50,197	50,197	50,197
Treasury shares	(307)	(307)	(307)	(307)
Translation reserve	(3,753)	(4,849)	(89)	(81)
Reserve and Enterprise Expansion Funds (Note 11)	5,711	5,711	-	-
Accumulated losses	(21,452)	(17,814)	(24,363)	(23,493)
<b>Total</b>	<b>30,396</b>	<b>32,938</b>	<b>25,438</b>	<b>26,316</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>55,809</b>	<b>61,029</b>	<b>36,799</b>	<b>36,819</b>

Notes:

Note 1

Please refer to the statement of cash flows of the Group, found in Section 1(c) of this report.

Note 2

The decrease in inventories of the Group was related to the lower level of business activities during the period under review.

Note 3

The decrease in trade receivables of the Group was due mainly to payments received and the lower business activities during the period under review.

Note 4

The increase in bill receivables was due mainly to lesser need for discounting of bills to obtain funds for operations, as the Group's liquidity position is healthy. The Group also saves on interest cost by discounting lesser bills.

**Note 5**

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 6**

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 10). The decrease in ROU assets was due mainly to depreciation charge, offset partially by the effect of translating the financial statements of foreign subsidiaries into Singapore dollar.

**Note 7**

The short-term loan of S\$1 million was repaid during the period under review.

**Note 8**

The increase in trade payables of the Group was due mainly to deposits received from customers for orders of printed circuit board machines. These machines are scheduled to be delivered in the second half of the year.

**Note 9**

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

**Note 10**

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 6). The decrease in total lease liabilities of the Group was due mainly to lease payments made, offset partially by the effect of translating the financial statements of foreign subsidiaries into Singapore dollar.

**Note 11**

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 30 Jun 2020		As at 31 Dec 2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
2,406	1,378	2,318	3,114

**Amount repayable after one year**

As at 30 Jun 2020		As at 31 Dec 2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
10,674	-	11,610	-

**Details of any collateral**

Secured borrowings refer to lease liabilities which are secured over the ROU assets. Please refer to Notes 6 and 10 of Section 1(b)(i) of this report for further details.

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.

	HY 2020	HY 2019
	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>		
Loss before income tax	(3,614)	(3,159)
Adjustments for:		
Depreciation of property, plant and equipment	610	999
Depreciation of right-of-use assets	1,408	1,541
Interest expense	470	580
Interest income	(33)	(24)
(Profit)/loss on disposal of property, plant and equipment	(30)	4
Write-off of plant and equipment	-	6
Operating cash flows before changes in working capital	(1,189)	(53)
Trade receivables	4,760	6,061
Bill receivables	(4,652)	(2,541)
Other receivables	141	(281)
Inventories	203	482
Trade payables	628	(642)
Trust receipts	(736)	86
Other payables	(734)	(1,106)
Cash flows (used in) / generated from operations	(1,579)	2,006
Interest paid	(34)	(38)
Interest received	33	24
Income tax paid	(25)	(213)
Net cash flows (used in) / generated from operating activities	(1,605)	1,779
<b>Cash flows from investing activities:</b>		
Proceeds from disposal of plant and equipment	30	-
Purchase of plant and equipment	(207)	(150)
Net cash flows used in investing activities	(177)	(150)
<b>Cash flows from financing activities:</b>		
Proceeds from loans and borrowings	-	527
Repayment of loans and borrowings	(1,000)	(527)
Repayment of lease liabilities	(1,094)	(1,183)
Interest paid on loans and borrowings	(21)	(24)
Interest paid on leasing arrangements	(415)	(518)
Net cash flows used in financing activities	(2,530)	(1,725)
<b>Net decrease in cash and cash equivalents</b>	(4,312)	(96)
Cash and cash equivalents at beginning of period	11,233	10,706
Effects of exchange rate changes	773	(300)
<b>Cash and cash equivalents at end of period</b>	<b>7,694</b>	<b>10,310</b>

**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 Losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>GROUP</b>							
<b>2020</b>							
Balance at 1 January 2020	50,197	(307)	-	(4,849)	5,711	(17,814)	32,938
Loss for the period	-	-	-	-	-	(3,638)	(3,638)
Currency translation gain	-	-	-	1,096	-	-	1,096
Balance at 30 June 2020	50,197	(307)	-	(3,753)	5,711	(21,452)	30,396
<b>2019</b>							
Balance at 1 January 2019	50,197	(307)	1,280	(3,923)	5,711	(4,090)	48,868
Loss for the period	-	-	-	-	-	(3,293)	(3,293)
Currency translation loss	-	-	-	(374)	-	-	(374)
Balance at 30 June 2019	50,197	(307)	1,280	(4,297)	5,711	(7,383)	45,201
<b>COMPANY</b>							
<b>2020</b>							
Balance at 1 January 2020	50,197	(307)	-	(81)	-	(23,493)	26,316
Loss for the period	-	-	-	-	-	(870)	(870)
Currency translation loss	-	-	-	(8)	-	-	(8)
Balance at 30 June 2020	50,197	(307)	-	(89)	-	(24,363)	25,438
<b>2019</b>							
Balance at 1 January 2019	50,197	(307)	1,280	(81)	-	(1,369)	49,720
Loss for the period	-	-	-	-	-	(582)	(582)
Currency translation gain	-	-	-	3	-	-	3
Balance at 30 June 2019	50,197	(307)	1,280	(78)	-	(1,951)	49,141

# Surplus Reserve refers to Reserve Fund and Enterprise Expansion Fund (Note 11 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 period ended 30 June 2020.



As at 30 June 2020, there were unexercised options for nil (30 June 2019: 14,000,000) unissued ordinary shares under the Jadason Share Option Scheme 2000. All share options lapsed in September 2019.

As at 30 June 2020, there were 3,670,000 (30 June 2019: 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 30 June 2020 was 722,395,000 (31 December 2019: 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 2020 and 30 June 2020	(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 2019 except as described in Section 5 of this report.

**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 (International) ("SFRS(I)") accounting standards that are effective for financial years beginning on or after 1 January 2020, where applicable.

The adoption of the new standards has no material impact on the financial statements of the Group.

**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

HY 2020    HY 2019

Loss per ordinary share (basic and diluted) for the period after deducting any provision for preference dividends:- (0.50 cents) (0.46 cents)

The calculation of loss per share (basic and diluted) for the six months period ended 30 June 2020 is based on:

- (1) Group's loss after taxation attributable to equity holders of \$3,638,000 (HY 2019: \$3,293,000); and
- (2) Weighted average number of ordinary shares of 722,395,000 (2019: 722,395,000).

**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	
	30.6.2020	31.12.2019	30.6.2020	31.12.2019
Net asset value per ordinary share	4.21 cents	4.56 cents	3.52 cents	3.64 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	
	HY 2020	HY 2019	HY 2020	HY 2019
Business Segments:	S\$'000	S\$'000	S\$'000	S\$'000
Equipment and Supplies	8,991	10,066	(296)	(606)
Manufacturing and Support Services	7,675	11,981	(2,848)	(1,973)
<b>Total</b>	<b>16,666</b>	<b>22,047</b>	<b>(3,144)</b>	<b>(2,579)</b>

Revenue for HY 2020 was S\$16.7 million, 24% lower than HY 2019 revenue of S\$22.0 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\$3.1 million during the period under review, compared with S\$2.6 million for HY 2019.

Revenue for the Equipment and Supplies business for HY 2020 decreased by S\$1.1 million, or 11%, compared with HY 2019 due mainly to lower sales of equipment to printed circuit board (“PCB”) manufacturers. The business segment posted an operating loss of S\$0.3 million (HY 2019: S\$0.6 million) for the period under review.

Revenue of the Manufacturing and Support Services business for HY 2020 decreased by S\$4.3 million, or 36%, to S\$7.7 million compared with HY 2019 due to weaker demand from customers for PCB drilling and PCB mass lamination services in China amidst the Covid-19 pandemic. 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\$2.8 million for HY 2020 (HY 2019: S\$2.0 million).

**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 2020.

**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.**

Covid-19 has caused significant disruptions to economic activities in the first half of the year. As we entered the second half of 2020, the full impact of the pandemic is still being played out. There are significant uncertainties in the global economy, with new waves of infections and high unemployment, and negative spillovers for the demand of electronic goods.

For the most part of 2019, the US-China trade war has impacted investment decisions and manufacturing activities. There were signs of improvement at the beginning of the year, when US and China signed a “phase-one” agreement to reduce some US tariffs on China’s products. However, the increasingly unstable US-China relationship has clouded the near-term outlook for growth of manufacturing activities, and the Covid-19 pandemic has compounded the risk.

Against this backdrop, the outlook for the rest of the year remains very challenging. The Group will continue to rationalise, streamline its core businesses and improve productivity to meet the uncertain market conditions.

**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/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared/recommendeded for the half year ended 30 June 2020 as the Group wishes to conserve financial resources in the face of economic uncertainty.

- 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 half year ended 30 June 2020 to be false or misleading.

On behalf of the board of directors

**FUNG CHI WAI**  
Chief Executive Officer

**LINNA HUI MIN**  
Director

- 15. Confirmation pursuant to Rule 720(1)**

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 Singapore Exchange Listing Manual.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

- 16. 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.

- 17. 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.

- 18. A breakdown of sales.**

Not applicable.

- 19. 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  
14 August 2020**