

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

**RESPONSES TO QUERIES FROM SINGAPORE EXCHANGE REGULATION
ON THE INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR
ENDED 30 JUNE 2021**

The Board of Directors (the “Board”) of Jadason Enterprises Ltd (the “Company”, and together with its subsidiaries, the “Group”) refers to the queries raised by Singapore Exchange Regulation (“SGX RegCo”) on 30 August 2021, in respect of the Group’s interim financial statements for the half year ended 30 June 2021 (“Report”).

The Board wishes to provide the following additional information in response to SGX RegCo’s queries:

Query 2(a)

Please explain why interest income amounted to only S\$33,000 during the financial period ended 30 June 2021 when the Group has significant cash and bank balances amounting to S\$11.24 million.

Company’s response:

The Group places its cash and bank balances in current and deposit accounts with financial institutions. The interest income was low because: (i) the interest rates offered by the financial institutions on these accounts were low during the period; and (ii) a significant portion of these funds was maintained in various foreign currency accounts for operational consideration and there was no interest earned on these accounts.

Query 2(b)

Please provide the reason(s) for the significant accounts payable of S\$9,089,000 when the Group recorded a cash and cash equivalent of S\$11,240,000 as at 30 June 2021. Please also disclose the ageing profile of the Group’s trade and other payables.

Company’s response:

The Group manages its trade payables together with other working capital items such as trade receivables and bill receivables, to improve its cash flows and liquidity. At 30 June 2021, the Group has trade receivables of S\$11,833,000 and bill receivables of S\$6,433,000 in addition to the cash and bank balances of S\$11,240,000, and is in a position to settle the trade payables of S\$9,089,000 as and when they fall due.

The ageing profile of the Group's trade and other payables as at 30 June 2021 is as follows:

	Within 1 month	1-2 months	2-3 months	Over 3 months	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables	1,644	1,907	1,214	4,324	9,089
Other payables	881	280	22	973	2,156

Query 2(c)

It is disclosed on page 14 of the financial statements that '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.'

Please elaborate on the factors which led to the lower sales of equipment to PCB manufacturers in China.

Company's response:

The sale of equipment to PCB manufacturers is dependent on the expansion plans of these manufacturers. The Group also disclosed the following under Paragraph 4 of Section F (Page 15) of the Report:

"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."

Query 3

Paragraph 8 of Appendix 7.2 requires the disclosure of 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.

Please be reminded to disclose any material factors that have affected the cashflows of the group during the current financial period reported on.

Company's response:

The consolidated statement of cash flow presented on page 6 of the Report comprises three main sections, i.e., cash flows from operating activities, cash flows from investing activities and cash flows from financing activities.

With regard to cash flows from operating activities, the Group has discussed and provided explanatory notes on its performance in Section A and Section F Paragraph 2 of the Report. The explanatory notes on the material changes in working capital can be found on page 5 of the Report.

Cash flows from investing activities were insignificant during the period under review. If significant, the items will be explained under Section B and Section E Paragraph 9 of the Report.

Items under cash flows from financing activities are either self-explanatory or have been explained in Section B of the Report.

By Order of the Board

Fung Chi Wai
Chief Executive Officer
1 September 2021