

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

**Interim Financial Statements for the Half Year Ended 30 June 2023 ("HY 2023")**

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

	HY 2023	HY 2022	Increase/ (Decrease)
	S\$'000	S\$'000	%
Revenue (Note a)	10,068	16,146	(38)
Cost of sales	<u>(9,352)</u>	<u>(15,914)</u>	(41)
Gross profit (Note a)	716	232	209
Other operating expense (Note b)	(149)	(500)	(70)
Selling and distribution expenses	(526)	(544)	(3)
Administrative expenses (Note c)	<u>(2,404)</u>	<u>(3,820)</u>	(37)
Loss from operations (Note a)	(2,363)	(4,632)	(49)
Finance cost (Note d)	<u>(154)</u>	<u>(347)</u>	(56)
Loss before income tax	(2,517)	(4,979)	(49)
Income tax	_____ -	_____ (1)	(100)
Loss for the period attributable to owners of the Company	<u>(2,517)</u>	<u>(4,980)</u>	(49)
<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>(151)</u>	<u>299</u>	NM
Other comprehensive income for the financial period, net of tax	<u>(151)</u>	<u>299</u>	
<b>Total comprehensive income for the period attributable to owners of the Company</b>	<u>(2,668)</u>	<u>(4,681)</u>	(43)
<b>Loss per share attributable to owners of the Company</b>			
Basic and diluted (cents)	<u>(0.35)</u>	<u>(0.69)</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 2023	HY 2022
	S\$'000	S\$'000
Other operating (expense)/income:		
Foreign exchange loss, net	(333)	(887)
Interest income from financial institutions	73	40
Income from scrap sales	-	39
Insurance claim	-	123
Government grants	31	118
Rent concession granted	3	6
Gain/(loss) on disposal of property, plant and equipment	21	(20)
Sundry income	<u>56</u>	<u>81</u>
	<u>(149)</u>	<u>(500)</u>

Included in the Group's 'other operating (expense)/income' for the period under review was a foreign exchange loss of S\$333,000 (HY 2022: S\$887,000). The foreign exchange losses in HY 2023 and HY 2022 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 increase in interest income was due mainly to higher bank interest rates during the period under review.

The decrease in income from scrap sales was related to the lower business activities at the Group's Manufacturing and Support Services business in HY 2023.

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, lower grants and credits were received as business support measures were tapered down with the easing of Covid-19 restrictions.

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 h of Section B of this report, and the termination of some factory leases in Dongguan in the second half of 2022 as part of the Group's cost control measures.

Note e

The loss on translation of foreign operations in HY 2023 was due mainly to the weakening of the Chinese Renminbi against the Singapore dollar. 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.

## B. Statements of Financial Position

	Group		Company	
	30.6.2023	31.12.2022	30.6.2023	31.12.2022
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets:</b>				
Property, plant and equipment (Note a)	5,015	5,290	9	11
Right-of-use assets (Note b)	3,241	3,874	157	237
Investments in subsidiaries	-	-	15,327	15,327
	<b>8,256</b>	<b>9,164</b>	<b>15,493</b>	<b>15,575</b>
<b>Current assets:</b>				
Cash and bank balances (Note c)	8,149	9,181	358	168
Bank deposits (Note c)	1,764	2,284	-	-
Inventories (Note d)	1,776	1,444	584	211
Trade receivables	7,195	7,242	2,295	1,573
Bill receivables (Note e)	664	1,170	-	-
Other receivables and prepayments	235	440	42	75
Amounts due from subsidiaries	-	-	23	22
	<b>19,783</b>	<b>21,761</b>	<b>3,302</b>	<b>2,049</b>
<b>Total assets</b>	<b>28,039</b>	<b>30,925</b>	<b>18,795</b>	<b>17,624</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	(3,646)	(3,495)	(77)	(77)
Reserve and Enterprise Expansion Funds (Note f)	5,711	5,711	-	-
Accumulated losses	(41,989)	(39,472)	(44,936)	(44,701)
	<b>9,966</b>	<b>12,634</b>	<b>4,877</b>	<b>5,112</b>
<b>Non-current liabilities:</b>				
Bank borrowing (Note g)	651	947	651	947
Lease liabilities (Note h)	2,955	3,593	12	84
Provision for long service payment	161	161	-	-
	<b>3,767</b>	<b>4,701</b>	<b>663</b>	<b>1,031</b>
<b>Current liabilities:</b>				
Bank borrowing (Note g)	545	495	545	495
Trade payables (Note i)	10,550	9,212	3,348	1,921
Other payables (Note j)	1,729	2,393	270	433
Income tax payable	386	400	-	-
Lease liabilities (Note h)	1,096	1,090	158	168
Amounts due to subsidiaries	-	-	8,934	8,464
	<b>14,306</b>	<b>13,590</b>	<b>13,255</b>	<b>11,481</b>
<b>Total liabilities</b>	<b>18,073</b>	<b>18,291</b>	<b>13,918</b>	<b>12,512</b>
<b>Total equity and liabilities</b>	<b>28,039</b>	<b>30,925</b>	<b>18,795</b>	<b>17,624</b>

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

Note a

The decrease in property, plant and equipment of the Group was due mainly to 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 used in operating activities in HY 2023 was S\$0.5 million, compared with net cash from operating activities of S\$1.3 million in HY 2022. Although operating cash flows before changes in working capital improved during the period under review, the working capital changes were lower by S\$2.7 million compared with the corresponding period. Net cash from investing activities was marginal in HY 2023. Net cash used in financing activities in HY 2023 was mainly for the payment of bank borrowing, lease liabilities and the related interest expenses.

The Group ended HY 2023 with cash and cash equivalents of S\$9.9 million, including bank deposits of S\$1.8 million. Net cash, after accounting for loan from financial institution of S\$1.2 million, was S\$8.7 million at 30 June 2023.

Note d

The increase in inventories was due mainly to in-transit PCB equipment, for which revenue was recognised in July 2023.

Note e

The decrease in bill receivables 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 f

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

Note g

The decrease in bank borrowing was due to repayment by the Group and Company during the period under review.

Note h

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 i

The increase in trade payables was due mainly to purchases of goods near the end of the financial period, including the in-transit PCB equipment as described in Note d above, and deposits received from customers for orders of PCB machines which are scheduled to be delivered in the second half of the current financial year.

Note j

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 2023	HY 2022
	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>		
Loss before income tax	(2,517)	(4,979)
Adjustments for:		
Amortisation of land use rights	8	9
Depreciation of property, plant and equipment	65	127
Depreciation of right-of-use assets	547	1,377
Interest expense	154	347
Interest income	(73)	(40)
(Gain)/loss on disposal of property, plant and equipment	(21)	20
Write-back of allowance for inventory obsolescence	-	(3)
Unrealised foreign exchange loss	<u>368</u>	<u>838</u>
Operating cash flows before changes in working capital	(1,469)	(2,304)
Trade receivables	(76)	3,211
Bill receivables	468	(1,819)
Other receivables	205	828
Inventories	(332)	73
Trade payables	1,364	1,835
Other payables	<u>(664)</u>	<u>(497)</u>
Cash flows (used in)/from operations	(504)	1,327
Income tax paid	<u>-</u>	<u>(2)</u>
Net cash flows (used in)/from operating activities	<u>(504)</u>	<u>1,325</u>
<b>Cash flows from investing activities:</b>		
Interest received	73	40
Proceeds from disposal of plant and equipment	21	39
Purchase of plant and equipment	<u>(2)</u>	<u>(1)</u>
Net cash flows from investing activities	<u>92</u>	<u>78</u>
<b>Cash flows from financing activities:</b>		
Repayment of bank borrowing	(246)	(238)
Repayment of trust receipts	-	(1,920)
Repayment of lease liabilities	(520)	(1,360)
Interest paid on loans and borrowings	(20)	(45)
Interest paid on leasing arrangements	(134)	<u>(302)</u>
Net cash flows used in financing activities	<u>(920)</u>	<u>(3,865)</u>
<b>Net decrease in cash and cash equivalents</b>	(1,332)	(2,462)
Cash and cash equivalents at beginning of period	11,465	17,700
Effects of exchange rate changes	<u>(220)</u>	<u>(26)</u>
<b>Cash and cash equivalents at end of period</b>	<u>9,913</u>	<u>15,212</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
<b>GROUP</b>						
<b>Attributable to owners of the Company</b>						
At 1 January 2023	50,197	(307)	(3,495)	5,711	(39,472)	12,634
<b>Total comprehensive income for the period</b>						
Loss for the period	-	-	-	-	(2,517)	(2,517)
Other comprehensive income - foreign currency translation loss for foreign operations	-	-	(151)	-	-	(151)
<b>Total</b>	-	-	<b>(151)</b>	-	<b>(2,517)</b>	<b>(2,668)</b>
At 30 June 2023	50,197	(307)	(3,646)	5,711	(41,989)	9,966
At 1 January 2022	50,197	(307)	(2,206)	5,711	(32,526)	20,869
<b>Total comprehensive income for the period</b>						
Loss for the period	-	-	-	-	(4,980)	(4,980)
Other comprehensive income - foreign currency translation gain for foreign operations	-	-	299	-	-	299
<b>Total</b>	-	-	<b>299</b>	-	<b>(4,980)</b>	<b>(4,681)</b>
At 30 June 2022	50,197	(307)	(1,907)	5,711	(37,506)	16,188
<b>COMPANY</b>						
At 1 January 2023	50,197	(307)	(77)	-	(44,701)	5,112
<b>Total comprehensive income for the period</b>						
Loss for the period	-	-	-	-	(235)	(235)
<b>Total</b>	-	-	-	-	<b>(235)</b>	<b>(235)</b>
At 30 June 2023	50,197	(307)	(77)	-	(44,936)	4,877
At 1 January 2022	50,197	(307)	(92)	-	(43,337)	6,461
<b>Total comprehensive income for the period</b>						
Loss for the period	-	-	-	-	(356)	(356)
Other comprehensive income - foreign currency translation gain for foreign operations	-	-	5	-	-	5
<b>Total</b>	-	-	<b>5</b>	-	<b>(356)</b>	<b>(351)</b>
At 30 June 2022	50,197	(307)	(87)	-	(43,693)	6,110

# Surplus Reserve refers to Reserve Fund and Enterprise Expansion Fund (see Explanatory Note f 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 2023 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 services in China.

### **2 Basis of preparation**

- 2.1 The interim financial statements for the six months ended 30 June 2023 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 2022.

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 2022.

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 and PCB drilling services in China. During the six-month period ended 31 December 2022, the Group exited the PCB mass lamination business 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 2023</u>			
Revenue:			
- External sales	<u>8,899</u>	<u>1,169</u>	<u>10,068</u>
Total	<u>8,899</u>	<u>1,169</u>	<u>10,068</u>
Results:			
Adjusted EBITDA*	(548)	(1,268)	(1,816)
Interest income	31	42	73
Amortisation of land use rights	-	(8)	(8)
Depreciation of property, plant and equipment	(9)	(56)	(65)
Depreciation of right-of-use assets	<u>(89)</u>	<u>(458)</u>	<u>(547)</u>
Loss from operations	(615)	(1,748)	(2,363)
Interest expense	<u>(19)</u>	<u>(135)</u>	<u>(154)</u>
Loss before income tax	(634)	(1,883)	(2,517)
Income tax expense	-	-	-
Loss for the period	<u>(634)</u>	<u>(1,883)</u>	<u>(2,517)</u>
Assets / Liabilities:			
Segment assets	12,245	15,794	28,039
Segment liabilities	11,950	6,123	18,073
Other segment information:			
Purchase of property, plant and equipment	2	-	2
Addition of right-of-use assets	-	24	24

	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

\* 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 2023	HY 2022	HY 2023	HY 2022	HY 2023	HY 2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	4,347	4,128	352	666	4,699	4,794
The People's Republic of China	4,305	7,583	618	2,132	4,923	9,715
Others	<u>247</u>	<u>1,246</u>	<u>199</u>	<u>391</u>	<u>446</u>	<u>1,637</u>
	<u>8,899</u>	<u>12,957</u>	<u>1,169</u>	<u>3,189</u>	<u>10,068</u>	<u>16,146</u>

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

	Non-current assets	
	30.6.2023	30.6.2022
	S\$'000	S\$'000
Singapore	166	328
The People's Republic of China	8,055	12,956
Others	<u>35</u>	<u>71</u>
	<u>8,256</u>	<u>13,355</u>

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

#### 5. Loss before taxation

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

	HY 2023	HY 2022
	S\$'000	S\$'000
Foreign exchange loss, net	(333)	(887)
Amortisation of land use rights	(8)	(9)
Depreciation of property, plant and equipment	(65)	(127)
Depreciation of right-of-use assets	(547)	(1,377)
Gain/(loss) on disposal of property, plant and equipment	21	(20)
Write-back of allowance for inventory obsolescence	-	3

#### 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 related to withholding tax paid.

#### 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 2022: 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 2023 and 30 June 2022.

**8. Net asset value**

	Group		Company	
	30.6.2023	31.12.2022	30.6.2023	31.12.2022
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	1.38	1.75	0.68	0.71

The calculation of net asset value per ordinary share was based on 722,395,000 shares as at 30 June 2023 (31 December 2022: 722,395,000).

**9. Property, plant and equipment**

During the six months ended 30 June 2023, the Group acquired assets amounting to S\$2,000 (HY 2022: S\$1,000) and disposed of fully written down (HY 2022: S\$59,000) assets.

**10. Borrowings**

	Group		Company	
	30.6.2023	31.12.2022	30.6.2023	31.12.2022
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Amount repayable in one year or less (unsecured)</b>				
Bank loan	545	495	545	495
<b>Amount repayable after one year (unsecured)</b>				
Bank loan	651	947	651	947
Total loans and borrowings	1,196	1,442	1,196	1,442

**11. Share capital**

	30.6.2023		31.12.2022	
	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 2023 was 722,395,000 (31 December 2022: 722,395,000).

Treasury shares

	Number of treasury shares
Balance as at 30 June 2022, 1 January 2023 and 30 June 2023	(3,670,000)

The treasury shares held by the Company as at 30 June 2023 represent 0.51% (31 December 2022: 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 2023 and 31 December 2022.

**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 2023 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 2023	HY 2022	HY 2023	HY 2022
Business Segments:	S\$'000	S\$'000	S\$'000	S\$'000
Equipment and Supplies	8,899	12,957	(615)	(872)
Manufacturing and Support Services	1,169	3,189	(1,748)	(3,760)
<b>Total</b>	<b>10,068</b>	<b>16,146</b>	<b>(2,363)</b>	<b>(4,632)</b>

Revenue for HY 2023 was S\$10.1 million, 38% lower than HY 2022 revenue of S\$16.1 million. The Group posted a lower loss from operations of S\$2.4 million (HY 2022: S\$4.6 million) during the period under review. In response to the decrease in demand, the Group has undertaken significant cost controls and rationalisation measures since 2022, in particular at its Manufacturing and Support Services business. This has led to an overall improvement in the Group's gross margin.

Revenue of the Equipment and Supplies business for HY 2023 decreased by S\$4.1 million, or 31%, to S\$8.9 million compared with HY 2022 due mainly to weaker sales of PCB equipment as PCB manufacturers were cautious amidst the subdued economic environment. The business segment posted a lower loss from operations of S\$0.6 million (HY 2022: S\$0.9 million) for the period under review due mainly to the decrease in foreign exchange loss as explained in Note b of Section A of this report and cost control initiatives implemented by the Group.

Revenue of the Manufacturing and Support Services business for HY 2023 decreased by S\$2.0 million, or 63%, to S\$1.2 million compared with HY 2022 due to weaker demand for PCB drilling services in China and spare parts amidst the impact of US-China tensions faced by some of our customers and the subdued economic conditions. The decrease in loss from operations from S\$3.8 million in HY 2022 to S\$1.7 million in HY 2023 was due mainly to cost control measures implemented by the Group, including the termination of some factory leases in Dongguan and the exit of the PCB mass lamination operation in China in the second half of 2022.

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 2023.

**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.**

PCB manufacturers, in particular those in China, are cautious in their investment plans in the face of sluggish growth in the PCB industry.

The 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 factory. While business activities in China have improved since the re-opening of its borders, a broad-based economic recovery has yet to occur.

The Group thus expects a challenging environment for both its Equipment and Supplies and Manufacturing and Support Services business segments. The Group will continue to work on cost controls and rationalising its operations. We will also strive to maintain sufficient liquidity and look for opportunities to diversify our 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.**

In view of the challenging operating environment, no dividend has been declared for the half year ended 30 June 2023.

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 2023 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**  
**14 August 2023**