



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

**Interim Financial Statements for the Six-Month Period ("2H2023") and
Financial Year Ended 31 December 2023 ("FY2023")**



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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

		Group					
		Half year ended		Increase / (Decrease)	Financial year ended		Increase / (Decrease)
		31 December			31 December		
		2023	2022			2023	2022
		(2H2023)	(2H2022)			(FY2023)	(FY2022)
Note		S\$'000	S\$'000	%		S\$'000	S\$'000
	Revenue	11,856	16,005	(25.9)		21,924	32,151
	Cost of sales	<u>(11,802)</u>	<u>(15,356)</u>	(23.1)		<u>(21,154)</u>	<u>(31,270)</u>
	Gross profit	54	649	(91.7)		770	881
	Other operating income	488	1,587	(69.3)		672	1,974
	Selling and distribution expenses	(384)	(611)	(37.2)		(910)	(1,155)
	Administrative expenses	(2,365)	(3,174)	(25.5)		(4,769)	(6,994)
	Other expenses	<u>(3,162)</u>	<u>(182)</u>	1,637.4		<u>(3,495)</u>	<u>(1,069)</u>
	Loss from operations	(5,369)	(1,731)	210.2		(7,732)	(6,363)
	Finance cost	(85)	(229)	(62.9)		(239)	(576)
	Loss before income tax	(5,454)	(1,960)	178.3		(7,971)	(6,939)
	Income tax	(1)	(6)	(83.3)		(1)	(7)
	Loss for the financial period/year	<u>(5,455)</u>	<u>(1,966)</u>	177.5		<u>(7,972)</u>	<u>(6,946)</u>
	Other comprehensive income:						
	<i>Items that will not be reclassified subsequently to profit or loss</i>						
	Currency translation differences	(168)	(1,588)			(319)	(1,289)
	Other comprehensive income for the financial period/year, net of tax	<u>(168)</u>	<u>(1,588)</u>			<u>(319)</u>	<u>(1,289)</u>
	Total comprehensive income for the financial period/year	<u>(5,623)</u>	<u>(3,554)</u>			<u>(8,291)</u>	<u>(8,235)</u>
	Basic and diluted loss per share (cents)	<u>(0.76)</u>	<u>(0.27)</u>			<u>(1.10)</u>	<u>(0.96)</u>



B. Condensed interim statements of financial position

	Note	Group		Company	
		31/12/2023	31/12/2022	31/12/2023	31/12/2022
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets:					
Property, plant and equipment	11	3,663	4,935	8	11
Right-of-use assets – land use rights		326	355	-	-
Right-of-use assets		207	3,874	60	237
Investment in Subsidiaries		-	-	12,008	15,327
Total non-current assets		4,196	9,164	12,076	15,575
Current assets:					
Inventories		665	1,444	437	211
Trade and other receivables	12	6,918	8,722	2,242	1,633
Prepayment		79	130	32	37
Cash and cash equivalents		9,486	11,465	398	168
Total current assets		17,148	21,761	3,109	2,049
Total assets		21,344	30,925	15,185	17,624
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Trade and other payables	14	13,327	11,605	12,425	10,818
Bank borrowings	15	510	495	510	495
Lease liabilities		1,374	1,090	74	168
Income tax payable		386	400	-	-
Total current liabilities		15,597	13,590	13,009	11,481
Net current assets / (liabilities)		1,551	8,171	(9,900)	(9,432)
Non-current liabilities:					
Bank borrowings	15	437	947	437	947
Lease liabilities		810	3,593	10	84
Provision for long service payment		157	161	-	-
Total non-current liabilities		1,404	4,701	447	1,031
Total liabilities		17,001	18,291	13,456	12,512
Net assets		4,343	12,634	1,729	5,112
Equity attributable to owners of the Company					
Share capital	16	50,197	50,197	50,197	50,197
Treasury shares	16	(307)	(307)	(307)	(307)
Reserves		(45,547)	(37,256)	(48,161)	(44,778)
Total equity		4,343	12,634	1,729	5,112



C. Condensed interim consolidated statement of cash flows

	Financial year ended 31 December	
	2023 (FY2023)	2022 (FY2022)
	S\$'000	S\$'000
Cash flows from operating activities:		
Loss before income tax	(7,971)	(6,939)
Adjustments for:		
Depreciation of property, plant and equipment	114	223
Depreciation of right-of-use assets	1,078	2,456
Amortisation of right-of-use assets - land use rights	16	17
Impairment loss on Right-of-use assets	1,418	-
Impairment loss on property, plant and equipment	905	125
Gain on de-recognition of lease liabilities and right-of-use assets	(297)	(746)
Gain on disposal of property, plant and equipment	(33)	(537)
Write-off of inventories	-	12
Write-back of inventories obsolescence	-	(6)
Allowance for inventories obsolescence	920	456
Write-off of property, plant and equipment	-	23
Loss allowance of trade receivable - specific	127	-
Loss allowance of trade receivable - general	(39)	-
Provision for retrenchment cost	451	-
Provision for reinstatement cost	613	-
Unrealised foreign currency exchange (gain) / loss	(13)	580
Interest expense	239	576
Interest income	(153)	(112)
Operating cash flows before changes in working capital	(2,625)	(3,872)
Trade receivables and other receivables	1,679	3,326
Prepayments	52	81
Inventories	(141)	755
Trade payables and other payables	971	(1,107)
Net cash used in operations	(64)	(817)
Income taxes and withholding taxes refund	-	79
Net cash flows used in operating activities	(64)	(738)
Investing activities		
Purchase of property, plant and equipment	(2)	(8)
Proceeds from disposal of property, plant and equipment	44	625
Interest received	153	112
Net cash flows from investing activities	195	729
Financing activities		
Repayment of principal portion of lease liabilities	(1,090)	(2,461)
Repayment of interest portion of lease liabilities	(204)	(508)
Proceeds from trust receipts	-	1,198
Repayment of trust receipts	-	(3,105)
Repayment of bank loans	(495)	(479)
Interest paid	(35)	(68)
Net cash used in financing activities	(1,824)	(5,423)
Net decrease in cash and cash equivalents	(1,693)	(5,432)
Cash and cash equivalents at beginning of financial year	11,465	17,700
Effects on exchange rate changes on cash and cash equivalents	(286)	(803)
Cash and cash equivalents at end at financial year	9,486	11,465



D. Condensed interim statements of changes in equity

	Issued capital	Treasury shares	Currency translation reserve	Surplus reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group						
Balance at 1st January 2023	50,197	(307)	(3,495)	5,711	(39,472)	12,634
<i>Total comprehensive income for the financial year</i>						
Loss for the financial year	-	-	-	-	(7,972)	(7,972)
<i>Other comprehensive income</i>						
Exchange differences on translating foreign operations	-	-	(319)	-	-	(319)
Total	-	-	(319)	-	(7,972)	(8,291)
Balance at 31st December 2023	50,197	(307)	(3,814)	5,711	(47,444)	4,343
Balance at 1st January 2022	50,197	(307)	(2,206)	5,711	(32,526)	20,869
<i>Total comprehensive income for the financial year</i>						
Loss for the financial year	-	-	-	-	(6,946)	(6,946)
<i>Other comprehensive income</i>						
Exchange differences on translating foreign operations	-	-	(1,289)	-	-	(1,289)
Total	-	-	(1,289)	-	(6,946)	(8,235)
Balance at 31st December 2022	50,197	(307)	(3,495)	5,711	(39,472)	12,634
Company						
Balance at 1st January 2023	50,197	(307)	(77)	(44,701)	5,112	
<i>Total comprehensive income for the financial year</i>						
Loss for the financial year	-	-	-	(3,460)	(3,460)	
<i>Other comprehensive income</i>						
Exchange differences on translating foreign operations	-	-	77	-	77	
Total	-	-	77	(3,460)	(3,383)	
Balance at 31st December 2023	50,197	(307)	-	(48,161)	1,729	
Balance at 1st January 2022	50,197	(307)	(92)	(43,337)	6,461	
<i>Total comprehensive income for the financial year</i>						
Loss for the financial year	-	-	-	(1,364)	(1,364)	
<i>Other comprehensive income</i>						
Exchange differences on translating foreign operations	-	-	15	-	15	
Total	-	-	15	(1,364)	(1,349)	
Balance at 31st December 2022	50,197	(307)	(77)	(44,701)	5,112	



E. Notes to the condensed interim consolidated 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 and financial year ended 31 December 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 and PCB mass lamination services in China. During the six-month period ended 31 December 2023, the Group has progressively ceased the PCB drilling services operation in China. During the previous financial year ended 31 December 2022, the Group also ceased the PCB mass lamination services operation in China.

2. Basis of preparation

2.1 The interim financial statements for the six months and financial year ended 31 December 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 (“S\$”), 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 year. 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.

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. Revenue information

31 December	Group			
	6 months ended		Financial year	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Types of products and services				
Equipment and supplies	9,934	13,544	18,833	26,501
Manufacturing and support services	1,922	2,461	3,091	5,650
Total Revenue	11,856	16,005	21,924	32,151
Timing of revenue recognition				
At a point in time	11,312	15,700	20,936	31,306
Over time	544	305	988	845
	11,856	16,005	21,924	32,151

5. Segment information

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is specifically focused on the category of each type of products and services. The Group's reportable segments under SFRS(I) 8 Operating Segments are therefore as follows:

- Equipment and supplies
Equipment and supplies includes provision of equipment and supplies to the printed circuit board ("PCB") industry.
- Manufacturing and support services
Manufacturing includes the provision of PCB drilling and PCB mass lamination services in China.

Support services includes the provision of equipment after-sales support and services.

Service maintenance income in relation to the PCB related products is recognized over time on a straight-line basis over the term of the relevant service agreement.

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.



5.1 Reportable segments

Information regarding the Group's reportable segments is presented below.

6 months ended 31 December	Equipment and supplies		Manufacturing and Support Services		Total	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Revenue:						
Primary geographical markets						
Singapore	5,101	2,712	526	1,018	5,627	3,730
The People's Republic of China	3,683	10,461	1,122	1,342	4,805	11,803
Others	1,150	371	274	101	1,424	472
- External sales	9,934	13,544	1,922	2,461	11,856	16,005
Results:						
Adjusted EBITDA*	(433)	(130)	(1,337)	(1,110)	(1,770)	(1,240)
Interest income	26	34	53	37	79	71
Gain on de-recognition of lease liabilities and right-of-use assets	-	-	297	746	297	746
Amortisation of land use rights	-	-	(8)	(8)	(8)	(8)
Depreciation of property, plant and equipment	(2)	(6)	(47)	(90)	(49)	(96)
Depreciation of right-of-use assets	(74)	(65)	(457)	(1,014)	(531)	(1,079)
Impairment loss on property, plant and equipment	-	-	(905)	(125)	(905)	(125)
Impairment loss on Right-of-use assets	-	-	(1,418)	-	(1,418)	-
Provision for retrenchment cost	-	-	(451)	-	(451)	-
Provision for reinstatement cost	-	-	(613)	-	(613)	-
Loss from operations	(483)	(167)	(4,886)	(1,564)	(5,369)	(1,731)
Finance costs	(14)	(16)	(71)	(213)	(85)	(229)
Loss before income tax	(497)	(183)	(4,957)	(1,777)	(5,454)	(1,960)
Income tax expense	(1)	-	-	(6)	(1)	(6)
Loss for the financial period	(498)	(183)	(4,957)	(1,783)	(5,455)	(1,966)



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Financial year 31 December	Equipment and supplies		Manufacturing and Support Services		Total	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Revenue:						
Primary geographical markets						
Singapore	9,448	6,840	877	1,684	10,325	8,524
The People's Republic of China	7,988	18,044	1,725	3,443	9,713	21,487
Others	1,397	1,617	489	523	1,886	2,140
- External sales	18,833	26,501	3,091	5,650	21,924	32,151
Results:						
Adjusted EBITDA*	(981)	(897)	(2,606)	(3,503)	(3,587)	(4,400)
Interest income	57	35	96	77	153	112
Gain on de-recognition of lease liabilities and right-of-use assets	-	-	297	746	297	746
Amortisation of land use rights	-	-	(16)	(17)	(16)	(17)
Depreciation of property, plant and equipment	(11)	(14)	(103)	(209)	(114)	(223)
Depreciation of right-of-use assets	(163)	(163)	(915)	(2,293)	(1,078)	(2,456)
Impairment loss on property, plant and equipment	-	-	(905)	(125)	(905)	(125)
Impairment loss on Right-of-use assets	-	-	(1,418)	-	(1,418)	-
Provision for retrenchment cost	-	-	(451)	-	(451)	-
Provision for reinstatement cost	-	-	(613)	-	(613)	-
Loss from operations	(1,098)	(1,039)	(6,634)	(5,324)	(7,732)	(6,363)
Finance costs	(33)	(60)	(206)	(516)	(239)	(576)
Loss before income tax	(1,131)	(1,099)	(6,428)	(5,840)	(7,971)	(6,939)
Income tax expense	(1)	(1)	-	(6)	(1)	(7)
Loss for the financial year	(1,132)	(1,100)	(6,428)	(5,846)	(7,972)	(6,946)
Assets / Liabilities:						
Segment assets	11,873	10,983	9,471	19,942	21,344	30,925
Segment liabilities	8,578	10,632	8,423	7,659	17,001	18,291
Other segment information						
Purchase of property, plant and equipment	2	7	-	1	2	8
Addition of right-of-use assets	180	17	-	-	180	17
Other non-cash items						
Write-back of allowance for inventories obsolescence	-	-	-	(6)	-	(6)
Write-off of inventories	-	-	-	12	-	12
Allowance for inventories obsolescence	-	-	920	456	920	456

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



6. Other operating income

31 December	Group			
	6 months ended		Financial year	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Interest income from financial institutions	80	72	153	112
Government grants	1	50	32	168
Gain on disposal of property, plant and equipment	1	557	33	537
Rental income of sharpening machine	48	-	48	-
Sundry income	50	18	106	222
Rent concession granted	-	3	3	9
Income from scrap sales	-	141	-	180
Gain on de-recognition of lease liabilities and right-of-use assets	297	746	297	746
	488	1,587	672	1,974

7. Loss before income tax

31 December	Group			
	6 months ended		Financial year	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Allowance for inventory obsolescence	920	456	920	456
Depreciation on property, plant and equipment	49	96	114	223
Depreciation on right-of-use assets	531	1,079	1,078	2,456
Amortisation of land use rights	8	8	16	17
Foreign exchange gain / (loss), net	241	232	(92)	(655)
Provision for retrenchment cost	451	-	451	-
Provision for reinstatement cost	613	-	613	-
Impairment loss on property, plant and equipment	905	125	905	125
Impairment loss recognised on right-of-use	1,418	-	1,418	-
Interest on borrowings	15	4	35	49
Interest on leases	69	206	204	508

8. Income Tax

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit and loss are:

31 December	Group			
	Six months ended		Financial year	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Current tax credit expense	(1)	(6)	(1)	(7)



9. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares at the end of the:-

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Net asset value per ordinary share based on issued share capital as at the end of financial period (cents)	0.48	1.75	0.24	0.71

10. Loss per share

31 December	Group and Company			
	6 months ended		Financial year	
	2023	2022	2023	2022
Total loss for the financial period / year (S\$'000)	(5,455)	(1,996)	(7,972)	(6,946)
Basic and diluted loss per share (cents)	(0.76)	(0.27)	(1.10)	(0.96)

Explanatory notes:

The calculation of loss per share (basic and diluted) is based on weighted average number of ordinary shares of 722,395,000 (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 31 December 2023 and 31 December 2022.

11. Property, Plant and Equipment

During the financial year ended 31 December 2023, the Group acquired assets amounting to S\$2,000 (FY2022: S\$8,000) and disposed of S\$11,000 (FY2022: S\$88,000) assets. Impairment loss of property, plant and equipment for the financial year ended 31 December 2023 was S\$905,000 (FY2022: S\$125,000).

12. Trade and other receivables

31 December	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables	7,112	7,309	2,189	1,454
Less: allowance for expected credit losses	(526)	(438)	(30)	(30)
	6,586	6,871	2,159	1,424
Bill receivables	104	1,170	-	-
Non-trade amount due from subsidiaries	-	-	2,801	2,943
Less: allowance for impairment loss	-	-	(2,778)	(2,921)
Deposits	87	91	39	38
Advance payment to suppliers	-	371	-	149
Other receivables	141	219	21	-
Total trade and other receivables	6,918	8,722	2,242	1,633
Add: Cash and cash equivalents	9,486	11,465	398	168
Less: Advance payment to suppliers	-	(371)	-	(149)
Total financial assets carried at amortised cost	16,404	19,816	2,640	1,652



13. Cash and cash equivalents

31 December	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at bank and on hand	7,575	9,181	398	168
Bank deposits	1,911	2,284	-	-
Cash and cash equivalents in consolidated statement of cash flow	9,486	11,465	398	168

14. Trade and other Payables

31 December	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables – third parties	8,925	7,640	2,689	1,622
Trade payables – subsidiaries	-	-	-	329
	8,925	7,640	2,689	1,951
Advances from customers	1,452	1,572	43	299
Provision for reinstatement cost	655	54	46	46
Provision for retrenchment cost	451	-	-	-
Accrued operating expenses	1,844	2,339	528	387
Amount due to subsidiaries	-	-	9,119	8,135
Total trade and other payables	13,327	11,605	12,425	10,818
Add:				
Lease liabilities	2,184	4,683	84	252
Bank borrowings	14 947	1,442	947	1,442
Less:				
Advances from customers	(1,452)	(1,572)	(43)	(299)
Financial liabilities carried at amortised cost	15,006	16,158	13,413	12,213

15. Bank borrowings

31 December	Group and Company	
	2023	2022
	S\$'000	S\$'000
<u>Amount repayable within one year or on demand</u>		
Unsecured	510	495
<u>Amount repayable after one year</u>		
Unsecured	437	947
	947	1,442



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The Group and Company had drawn down the term loan amounting to S\$2.0 million in October 2020. It is repayable over 48 months commencing from November 2021 and the loan interest is charged at 3% (2022: 3%) per annum.

The fair value of the Group and the Company's non-current bank borrowings approximate their carrying amounts as they are at market lending rates for similar types of lending or borrowing at the end of the reporting period.

Bank borrowings are denominated in Singapore Dollar.

16. Share Capital and Treasury Share

(a) Share capital

31 December	Group and Company			
	2023	2023	2022	2022
	<u>Number of Ordinary shares</u> '000	S\$'000	<u>Number of ordinary shares</u> '000	S\$'000
Issued and paid up:				
At beginning and end of the financial year	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.

(b) Treasury shares

There were no changes in the Company's Treasury shares as set out below.

31 December	Group and Company			
	2023	2023	2022	2022
	<u>Number of Ordinary shares</u> '000	S\$'000	<u>Number of ordinary shares</u> '000	S\$'000
Issued and paid up:				
At beginning and end of the financial year	3,670	(307)	3,670	(307)

The treasury shares held by the Company as at 31 December 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 31 December 2023 and 31 December 2022 respectively.

17. Subsequent events

There are no known subsequent events which have led to adjustments to these condensed 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 31 December 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 financial year then ended and certain explanatory notes have not been audited or reviewed.

2. A review of the performance of the group

Financial performance of the Group (2H2023 vs 2H2022)

Revenue for the half year ended 31 December 2023 ("2H2023") was S\$11.9 million, a decrease of 25.9% as compared with S\$16.0 million for the half year ended 31 December 2022 ("2H2022"). In tandem, cost of sales decreased by 23.1% to S\$11.8 million for 2H2023 from S\$15.4 million for 2H2022.

Business Segments	2H2023	2H2022	Increase / (Decrease)
	S\$'000	S\$'000	%
Equipment and Supplies	9,934	13,544	(26.7)
Manufacturing and Support Services	1,922	2,461	(21.9)
Total	11,856	16,005	(25.9)

Revenue for the Equipment and Supplies business decreased by 26.7%, to S\$9.9 million for 2H2023 from S\$13.5 million for 2H2022, due mainly to lower sales of equipment and supplies to PCB manufacturers in China.

Revenue of the Manufacturing and Support Services business decreased by 21.9% to S\$1.9 million for 2H2023 from S\$2.5 million for 2H2022, due to poor demand for PCB drilling services in China amidst the impact of US-China tensions faced by some of our customers and the subdued economic conditions.

Other operating income decreased by 69.3%, to S\$0.5 million for 2H2023 from S\$1.6 million for 2H2022, due mainly to loss on disposal of property, plant and equipment for 2H2023 as compared with gain on disposal of property, plant and equipment for 2H2022, and lower gain on de-recognition of lease liabilities and right-of-use assets.

Selling and distribution expenses decreased by 37.2%, to S\$0.4 million for 2H2023 from S\$0.6 million for 2H2022 due mainly to lower sales recorded.

Administrative expenses decreased by 25.5%, to S\$2.4 million for 2H2023 from S\$3.2 million for 2H2022, due mainly to lower staff costs and lower depreciation expense of right-of-use assets, and property, plant and equipment.

Other expenses increased by 1,637.4%, to S\$3.2 million for 2H2023 from S\$0.2 million for 2H2022, due mainly to impairment loss on property, plant and equipment and right-of-use assets, and PCB drilling operation closure expenses in China.

Finance costs decreased by 62.9%, to S\$0.1 million for 2H2023 from S\$0.2 million for 2H2022, due mainly to lower lease liabilities interest as a result of early termination of some factory leases in China in FY2022.

As a result of the foregoing, the Group recorded a loss after income tax of S\$5.5 million for 2H2023, compared with a loss after income tax of S\$2.0 million for 2H2022.



Financial performance of the Group (FY2023 vs FY2022)

Revenue for the financial year ended 31 December 2023 (“FY2023”) was S\$21.9 million, a decrease of 31.8% as compared with S\$32.2 million for the financial year ended 31 December 2022 (“FY2022”). In tandem, cost of sales decreased by 32.4% to S\$21.2 million for FY2023 from S\$31.3 million for FY2022.

Business Segment	FY2023	FY2022	Increase / (Decrease) %
	S\$'000	S\$'000	
Equipment and Supplies	18,833	26,501	(28.9)
Manufacturing and Support Services	3,091	5,650	(45.3)
Total	21,924	32,151	(31.8)

Revenue of the Equipment and Supplies business decreased by 28.9%, to S\$18.8 million for FY2023 from S\$26.5 million for FY2022, due mainly to lower sales of equipment and supplies to PCB manufacturers in China

Revenue of the Manufacturing and Support Services business decreased by 45.3%, to S\$3.1 million for FY2023 from S\$5.7 million for FY2022, due to poor demand for PCB drilling services in China amidst the impact of US-China tensions faced by some of our customers and the subdued economic conditions.

Other operating income decreased by 66.0%, to S\$0.7 million for FY2023 from S\$2.0 million for FY2022, due mainly to lower gain on disposal of property, plant and equipment, and lower gain on de-recognition of lease liabilities and right-of-use assets.

Selling and distribution expenses decreased by 21.2%, to S\$0.9 million for FY2023 from S\$1.2 million for FY2022, due mainly to lower sales recorded.

Administrative expenses decreased by 31.8%, to S\$4.8 million for FY2023 from S\$7.0 million for FY2022, due mainly to lower staff costs and lower depreciation expense of right-of-use assets, and property, plant and equipment.

Other expenses increased by 226.9%, to S\$3.5 million for FY2023 from S\$1.1 million for FY2022, due mainly to impairment loss on property, plant and equipment and right-of-use assets, and PCB drilling operation closure expenses, partly offset by lower foreign exchange loss.

Finance costs decreased by 58.5%, to S\$0.2 million for FY2023 from S\$0.6 million for FY2022, due mainly to lower lease liabilities interest as a result of early termination of some factory leases in China in FY2022.

As a result of the foregoing, the Group recorded a loss after income tax of S\$8.0 million for FY2023, compared with a loss after income tax of S\$6.9 million for FY2022.

Financial position of the Group as at 31 December 2023 vs 31 December 2022

Property, plant and equipment decreased by 25.8%, to S\$3.7 million as at 31 December 2023 from S\$4.9 million as at 31 December 2022 due mainly to depreciation and impairment charges, and the effect of translating the financial statements of foreign subsidiaries into Singapore dollar during the financial year.

Right-of-use assets decreased by 94.7%, to S\$0.2 million as at 31 December 2023 from S\$3.9 million as at 31 December 2022, due mainly to depreciation and impairment charges, and the lease modification to early termination for the cessation of PCB drilling operation in China during the financial year.

Trade and other receivables decreased by 20.7%, to S\$6.9 million as at 31 December 2023 from S\$8.7 million as at 31 December 2022, due mainly to lower revenue reported for FY2023 and better collections.

Inventories decreased by 53.9%, to S\$0.7 million as at 31 December 2023 from S\$1.4 million as at 31 December 2022, due mainly to higher allowance for inventory obsolescence made for the Group’s manufacturing and support businesses in China during the financial year.



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Trade and other payable increased by 14.8%, to S\$13.3 million as at 31 December 2023 from S\$11.6 million as at 31 December 2022, due mainly to higher purchases of machines for delivery to customers towards the end of financial year, and the provision for reinstatement cost and retrenchment cost for factory closure expenses of PCB drilling operations in China.

Total bank borrowings decreased by 34.3%, to S\$0.9 million as at 31 December 2023 from S\$1.4 million as at 31 December 2022, due to repayment for the financial year.

Total lease liabilities decreased by 53.4%, to S\$2.2 million as at 31 December 2023 from S\$4.7 million as at 31 December 2022, due mainly to the de-recognitions of lease liabilities following the Group's decision to pre-terminate the lease and repayment for the financial year.

Shareholders' equity for the Group stood at S\$4.3 million as at 31 December 2023, as compared with S\$12.6 million as at 31 December 2022.

Cash flow of the Group (FY2023)

The Group incurred net cash outflow from operating activities of S\$0.1 million for FY2023. The Group will continue to be cautious and take reasonable steps to ensure the continuous growth in the operations and managing its operating costs effectively.

The Group generated net cash inflow from investing activities of S\$0.2 million for FY2023 due mainly to bank interest received.

The Group incurred net cash outflow from financing activities of S\$1.8 million for FY2023 due mainly to repayment of bank borrowings, lease liabilities and related interest expenses.

As a result of the above, cash and cash equivalents decreased to S\$9.5 million as at 31 December 2023 from S\$11.5 million as at 31 December 2022.

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 line with our announcement dated 14 November 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 China have remained cautious in their investment and expansion plans in the face of sluggish growth in the PCB industry amidst the uncertain global economic environment. On the other hand, the continued re-alignment of supply chain post Covid has led to more opportunities for the PCB industry in the Asia outside China region.

While the economic activities in China have showed signs of stability in recent months, the ongoing trade tensions between the US and China, geo-political conflicts, and the continued re-alignment of supply chain is expected to continue adversely impact the business of our customers in China. The Group's drilling and mass lamination services, which provides outsourcing service support to PCB manufacturers, had been badly impacted. Hence, after a thorough consideration, the Group exited the mass lamination operation in 2022 and has taken steps to progressively cease our drilling operation.

Amidst the challenging operating environment, the Group will continue its efforts in managing costs and rationalising its operations to enhance the Group's competitiveness. The Group will step up its marketing activities in the South-east Asia region to capitalise on the opportunity arising from the continued re-alignment of supply chain dynamic and to diversify its geographical revenue streams.

Going forward, the Company will take a prudent approach in exploring new business and investment opportunities through acquisition, joint venture and/or strategic alliances that will add value for all stakeholders.



5. Dividend

(a) Current financial period reported on

No dividend is declared.

(b) Corresponding period of the immediately preceding financial year

Nil.

(c) Whether the dividend is before tax, net of tax or tax exempt.

Not applicable.

(d) Date payable

Not applicable.

(e) 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/recommended for the financial year ended 31 December 2023 as the Group wishes to conserve financial resources in the face of challenging operating environment.

7. A breakdown of the total annual dividend (in dollar value) for the issuer’s latest financial year and its previous financial year.

	Latest Financial Year	Previous Financial Year
	\$'000	\$'000
Ordinary	-	-
Preference	-	-
Total	-	-

8. 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.

There was no disclosable interested person transaction during the financial period under review.

9. 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.



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

Not applicable - not required for announcement on financial full year results.

11. Disclosure of person occupying a managerial position who is related to a director or chief executive officer or substantial shareholder

There is no person occupying a managerial position in the Group who is related to a director or chief executive officer or substantial shareholder of the Company.

12. A breakdown of sales and profit/loss after tax

	FY2023	FY2022	+/(-)
Group	S\$'000	S\$'000	%
Sales reported for first half-year	10,068	16,146	(37.6)
Loss after tax for first half-year	(2,517)	(4,980)	(49.5)
Sales reported for second half-year	11,856	16,005	(25.9)
Loss after tax for second half-year	(5,455)	(1,966)	228.3

13. Disclosure of Acquisition (including incorporation) and sale of shares under Rule 706A

Not applicable. The Company did not acquire or dispose shares in any companies during the financial year ended 31 December 2023.

BY ORDER OF THE BOARD

Fung Chi Wai
Chief Executive Officer
29 February 2024