

# ANNUAL REPORT 2023



Jadason Enterprises Ltd

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# CORPORATE PROFILE

The Group started its business in 1980 and has since become a leading supplier of equipment and supplies to the printed circuit board (“PCB”) industry in Asia. The Group has a distribution network spanning China, Hong Kong, Japan, Malaysia, Singapore and Thailand. To support the equipment sales and to better service its customers, the Group has established a service network covering all the locations where it has marketing presence. The Group also provides PCB drilling services in Dongguan and Suzhou.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Queeny Ho**

(Non-Independent Non-Executive Chairman)

**Fung Chi Wai**

(Executive Director and Chief Executive Officer)

**Linna Hui Min**

(Executive Director)

**Chua Keng Hiang**

(Lead Independent Non-Executive Director)

**Teng Cheong Kwee**

(Independent Non-Executive Director)

**Tan Seng Chun**

(Independent Non-Executive Director)

## AUDIT COMMITTEE

Chua Keng Hiang (Chairman)

Teng Cheong Kwee

Tan Seng Chun

Queeny Ho

## NOMINATING COMMITTEE

Teng Cheong Kwee (Chairman)

Chua Keng Hiang

Tan Seng Chun

Queeny Ho

## REMUNERATION COMMITTEE

Teng Cheong Kwee (Chairman)

Chua Keng Hiang

Tan Seng Chun

Queeny Ho

## COMPANY SECRETARY

Eve Khor Ley Cheng

## REGISTERED OFFICE

No. 3 Kaki Bukit Crescent #03-01

Singapore 416237

Tel: (65) 6383 1800

Fax: (65) 6383 1390

Website: [www.jadason.com](http://www.jadason.com)

## SHARE REGISTRAR

In.Corp Corporate Services Pte. Ltd.

30 Cecil Street

#19-08 Prudential Tower

Singapore 049712

Tel: (65) 6812 1611

Fax: (65) 6812 1601

## PRINCIPAL BANKERS

DBS Bank Limited

United Overseas Bank Limited

## INDEPENDENT AUDITOR

BDO LLP

600 North Bridge Road

#23-01 Parkview Square

Singapore 188778

Tel: (65) 6828 9118

Partner-in-charge: Leong Hon Mun Peter

(Appointed since the financial year ended 31 December 2020)

## INTERNAL AUDITOR

Yang Lee & Associates

10 Anson Road #31-03

International Plaza

Singapore 079903

Tel: (65) 6222 9833

# FINANCIAL HIGHLIGHTS

## Results for the years ended 31 December (S\$'000)

	2023	2022	2021	2020	2019
Revenue	21,924	32,151	42,782	41,086	44,252
Loss before taxation	(7,971)	(6,939)	(10,625)	(3,903)	(14,931)
Loss after taxation	(7,972)	(6,946)	(10,636)	(4,076)	(15,004)
Loss per share (¢)	(1.10)	(0.96)	(1.47)	(0.56)	(2.08)

## Balance Sheets as at 31 December (S\$'000)

	2023	2022	2021	2020	2019
Property, plant & equipment	3,663	4,935	5,798	8,979	10,367
Right-of-use assets - land use rights	326	355	407	406	404
Right-of-use assets	207	3,874	8,969	11,026	12,972
Current assets	17,148	21,761	33,657	39,969	37,286
	<b>21,344</b>	<b>30,925</b>	<b>48,831</b>	<b>60,380</b>	<b>61,029</b>
Current liabilities	15,597	13,590	18,505	18,360	16,320
Non-current liabilities	1,404	4,701	9,457	12,082	11,771
	<b>17,001</b>	<b>18,291</b>	<b>27,962</b>	<b>30,442</b>	<b>28,091</b>
Shareholders' equity	4,343	12,634	20,869	29,938	32,938
	<b>21,344</b>	<b>30,925</b>	<b>48,831</b>	<b>60,380</b>	<b>61,029</b>

# CHAIRMAN'S STATEMENT



**QUEENY HO**  
Non-Executive Chairman

**“ We remain committed to continuously rationalise our operating cost structure.....and look for opportunities to diversify our revenue streams.”**

## Dear Shareholders

The ongoing US-China trade tensions, coupled with evolving geopolitical tensions, have resulted in re-alignment of global supply chains. Our customers in China are facing pressures adapting to these challenging conditions which have affected their purchasing decisions and investment strategies. Demand for our machines, supplies and manufacturing services for the printed circuit board (“PCB”) industry in the Chinese market has been adversely impacted, resulting in lower revenue for the financial year ended 31 December 2023 (“FY2023”).

## GROUP'S PERFORMANCE

The Group recorded a revenue of S\$21.9 million for FY2023 compared with S\$32.2 million for the financial year ended 31 December 2022 (“FY2022”). Revenue from the Group's Equipment and Supplies business decreased by 28.9% to S\$18.8 million for FY2023 from S\$26.5 million for FY2022, while revenue from the Group's Manufacturing and Support Services business decreased by 45.3% to S\$3.1 million for FY2023 from S\$5.7 million for FY2022.

The cost controls initiated and cessation of our mass lamination operation in 2022 have resulted in lower staff costs and lower depreciation expense of right-of-use assets, and property, plant and equipment for FY2023.

# CHAIRMAN'S STATEMENT

In the light of adverse business environment for PCB manufacturing, we have taken the strategic decision to progressively cease the PCB drilling operation. This has resulted in provision for staff retrenchment and property reinstatement costs as well as impairment loss on property, plant and equipment and right-of-use assets for FY2023.

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

Despite the difficult operating environment, the Group has net cash and cash equivalents of S\$8.5 million after accounting for bank borrowings of S\$0.9 million as at 31 December 2023.

In view of the challenging operating environment, the Board is not recommending any dividend payment for the financial year ended 31 December 2023.

## LOOKING AHEAD

The ongoing re-alignment of global supply chains has led to more opportunities for the PCB industry in the Asia outside China region. We will actively explore these new markets in Southeast Asia to diversify our customer base and reduce our dependence on any single region. We are also closely monitoring the situation in China and are prepared to adjust our strategies and operations accordingly to best serve our customers' needs.

We remain committed to continuously rationalise our operating cost structure under these challenging market conditions. We will also strive to maintain sufficient liquidity and look for opportunities to diversify our revenue streams.

## ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board, I would like to express my heartfelt gratitude to our staff and management for their hard work and commitment, and our fellow directors for their contributions during these difficult times. I would also like to thank our bankers, business associates and shareholders for their continued support.

With your support, we remain confident in our ability to navigate these complexities and emerge stronger in the long run. We remain steadfast in our commitment to serving our customers, maintaining operational resilience and driving sustainable growth for our Company, and delivering long-term value to our shareholders.

**QUEENY HO**

Non-Executive Chairman

March 2024

# FINANCIAL AND OPERATIONS REVIEW

## GROUP PROFILE

Our core businesses are:

### Equipment and Supplies

We commenced our business in 1980 and are a leading supplier in Asia for equipment and supplies to the printed circuit board (“PCB”) industry. We have an extensive distribution network, covering Singapore, Malaysia, Thailand, China, Hong Kong and Japan. We also fabricate some of the equipment used in the PCB manufacturing process.

### Manufacturing and Support Services

To support the equipment sales and to better service our customers, we have established a service network covering all the locations where we have marketing presence.

We also provide PCB drilling services in Dongguan and Suzhou to PCB manufacturers operating in China.

## FINANCIAL REVIEW

### Revenue and Other Income

The Group recorded a revenue of S\$21.9 million for the financial year ended 31 December 2023 (“FY2023”) compared with S\$32.2 million for the financial year ended 31 December 2022 (“FY2022”).

Revenue from the Group’s 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 from the Group’s 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 trade 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.

### Expenses

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 provision for factory reinstatement cost and retrenchment cost in connection with scale down of PCB drilling operation in China, 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.



# FINANCIAL AND OPERATIONS REVIEW

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

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 following the Group's decision to pre-terminate the lease 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 Services business in China during the financial year.

Trade and other payable increased by 5.7% to S\$12.3 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.

Total provision increased by 657.8% to S\$1.2 million as at 31 December 2023 from S\$0.2 million as at 31 December 2022 due mainly to provision for factory reinstatement cost and retrenchment cost in connection with scale down of PCB drilling operation 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 made during 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 lease modification following the Group's decision to pre-terminate the lease and repayment made during 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.

## Cashflows

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\$1.7 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.

# FINANCIAL AND OPERATIONS REVIEW

## OPERATION REVIEW

The Group is a provider of equipment, supplies and manufacturing services to the PCB manufacturers and is therefore dependent on the overall electronics business cycle. A downturn in the overall electronics sector would negatively impact the performance of the Group. The Group also derives a substantial portion of its revenue from China.

In recent years, PCB manufacturers in China have been 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 tensions, and the 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 the 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 Southeast Asia region to capitalise on the opportunity arising from the continued re-alignment of supply chain dynamic and to diversify its geographical revenue streams.

## DIVIDENDS

The Group does not have a fixed dividend policy as it operates in a cyclical and volatile industry. However, the Directors are aware of the need to reward shareholders, and recommends the payment of dividends after considering the financial performance and cash flow needs of the Group.

In respect of FY2023, the Directors do not recommend the payment of dividend in the face of economic challenges.

# GEOGRAPHICAL PRESENCE



CHINA



JAPAN



HONG KONG



THAILAND



MALAYSIA



SINGAPORE



# BOARD OF DIRECTORS



## QUEENY HO

Non-Independent  
Non-Executive Chairman

Ms Queeny Ho is the Non-Independent Non-Executive Chairman of the Board and also a member of the Audit, Nominating and Remuneration Committees.

Ms Ho joined the Board as a non-executive director on 29 May 2009, and assumed the role of chairman since 7 May 2011. She was also a director of Jadason Enterprises (HK) Limited from July 1980 to January 2003. Ms Ho is the largest shareholder of the Company.

## FUNG CHI WAI

Executive Director and  
Chief Executive Officer

Mr Fung Chi Wai is an Executive Director and the Chief Executive Officer of the Group.

Mr Fung joined the Group in April 1983 as a sales manager. He was appointed as a director in August 1990 and the Managing Director of the Group in June 2000. On 3 March 2006, he was promoted to Chief Executive Officer of the Group.

Mr Fung played a vital role in expanding the Group's business / operations in China and Southeast Asia. He has more than 30 years of experience in the printed circuit board equipment business and is responsible for all the operational aspects of the Group activities.

## LINNA HUI MIN

Executive Director

Ms Linna Hui Min is an Executive Director of the Company.

Ms Hui Min was appointed to the Board on 26 March 2007.

Ms Hui Min joined the Group in July 1988 and is currently the general manager of Jadason Enterprises (HK) Limited, responsible for its day-to-day operations and marketing activities in Hong Kong and China. In her career with the Group, she has also been responsible for setting up overseas offices and has experience in application and technical support.

Ms Hui Min holds a Bachelor degree in Science (Chemical Engineering) from the University of California.

# BOARD OF DIRECTORS



## CHUA KENG HIANG

Lead Independent  
Non-Executive Director

Mr Chua Keng Hiang is the Lead Independent Non-Executive Director. He chairs the Audit Committee and is also a member of the Nominating and Remuneration Committees.

Mr Chua has been an independent director of the Company since June 2000.

Mr Chua is a practicing member of the Institute of Singapore Chartered Accountants. He has more than 40 years of experience in the field of public accounting, corporate finance and management.

Mr Chua holds an Honours degree in Accountancy from the then University of Singapore and is a fellow member of the Association of Chartered Certified Accountants (UK).

## TENG CHEONG KWEE

Independent Non-Executive Director

Mr Teng Cheong Kwee is an Independent Non-Executive Director. He chairs the Nominating and Remuneration Committees and is also a member of the Audit Committee.

Mr Teng was appointed as an independent director of the Company on 1 July 2021.

Mr Teng started his career in the Singapore Government Administrative Service, and subsequently served as Assistant Director and Deputy Director in the Monetary Authority of Singapore, and as Secretary of the Securities Industry Council. From 1989 to 1999, he was Executive Vice President of the Stock Exchange of Singapore with responsibilities for listings, market supervision, member company inspection and investigations. From 1999 to 2000, Mr Teng was with the Singapore Exchange as Executive Vice President and Head, Risk Management and Regulatory Division. Mr Teng had served as an independent director of several other SGX-listed companies. He is currently also a director of several unlisted companies.

Mr Teng graduated in 1978 from the University of Newcastle, Australia, with degrees in Bachelor of Engineering (Industrial) (Honours Class 1) and Bachelor of Commerce.

## TAN SENG CHUN

Independent Non-Executive Director

Mr Tan Seng Chun is an Independent Non-Executive Director and a member of the Audit, Nominating and Remuneration Committees.

Mr Tan was appointed as an independent director of the Company on 1 March 2024.

Mr Tan has more than 25 years of experience in the field of financial management, corporate governance, and strategic planning in both SMEs and MNCs. He runs his own business consultancy company providing business process consulting and outsourcing services.

Mr Tan holds a degree in Accountancy from the Nanyang Technological University of Singapore and is a member of the Institute of Singapore Chartered Accountants and the Singapore Institute of Directors.

# KEY MANAGEMENT

## PUNG WEE SENG

Director of Marketing

Mr Pung Wee Seng is the Director of Marketing of the Company, responsible for the overall sales and marketing activities and after-sales service to customers in the Asean region. Mr Pung joined the Company in October 1991. Prior to joining the Company, he was a Senior Sales Engineer with Dynavest Pte Ltd from January 1987 to September 1991.

Mr Pung holds a Bachelor degree in Business Administration from RMIT University and two diplomas in other disciplines.

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## EVE KHOR LEY CHENG

Group Financial Controller

Ms Eve Khor Ley Cheng is the Group Financial Controller of the Company, responsible for the overall planning and management of the Group's financial, taxation and corporate governance functions. Ms Khor joined the Company in January 2024. Prior to joining the Company, she was the Head of Corporate Finance of H2G Green Limited and had also held other senior finance positions at various Singapore and Hong Kong listed and private companies.

Ms Khor holds a ACCA professional degree and Masters of Business Administration from Murdoch University. She is a member of the Institute of Singapore Chartered Accountants as well as the ASEAN Chartered Professional Accountant.

# GROUP STRUCTURE



## Jadason Enterprises Ltd



# CORPORATE GOVERNANCE

The Board of Directors (the “Board”) and Management of Jadason Enterprises Ltd (the “Company”) and its subsidiaries (the “Group”) are committed to maintaining a high standard of corporate governance so as to ensure that the Group’s activities are carried out in the best interests of its stakeholders.

This report describes the Company’s corporate governance practices during the financial year ended 31 December 2023 (“FY2023”), with specific reference made to the principles and provisions of the revised Code of Corporate Governance (the “2018 Code”) and accompanying Practice Guidance issued in August 2018, which forms part of the continuing obligations of the Listing Rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Company has generally adhered to the principles and provisions of the Code. Where there are deviations from the Code, appropriate explanations or reasons have been provided in the report.

## **A. BOARD MATTERS**

### **The Board’s conduct of its affairs**

**Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.**

#### Provision 1.1 (Board duties)

The Board is responsible for setting the corporate strategy and business direction of the Group, and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives. It oversees the establishment of appropriate risk management policies and controls, reviews management performance, identifies the key stakeholder groups, recognising that their perceptions affect the Group’s reputation. It also sets the Group’s values and standards and ensures that obligations to shareholders and other stakeholders are understood and met, and considers sustainability issues as part of its strategic formulation.

All Directors exercise due diligence and independent judgement in dealing with the business affairs of the Group and make decisions objectively to discharge their duties and responsibilities in the best interests of the Group. This is a performance criterion for the assessment of the Directors.

The Board and the Management fully appreciate that an effective and robust board whose members engage in open and constructive debate and challenge the Management on its assumptions and proposals is fundamental to good corporate governance. The Directors have the appropriate core competencies and diversity of experience to enable them to contribute effectively. They are able to objectively raise issues and seek clarification as and when necessary, from the Board and the Management on matters pertaining to their area of responsibilities and actively help the Management in the development of strategic proposals and oversees the effective implementation by the Management to achieve the objectives set.

Directors facing conflict or potential conflict of interest, whether direct or indirect, in relation to any matter shall recuse themselves from discussions and decisions involving the conflict-related matters unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he/she shall abstain from voting in relation to the conflict-related matters and refrains from exercising any influence over the other members of the Board.

#### Provision 1.2 (Directors’ training and orientation)

A new Director appointed to the Board who has no prior experience as a director of a listed company will be required to attend specific modules of the Listed Entity Director (“LED”) Program conducted by the Singapore Institute of Directors (“SID”) in order to acquire the relevant knowledge of what is expected of a listed company director unless the NC is of the view that such training is not required because the Director has other relevant experience.



# CORPORATE GOVERNANCE

New Board members are briefed by the Chief Executive Officer (“CEO”) and/or other senior management on the Group’s business activities, strategic directions, business and governance practices, and their duties and responsibilities as Directors. The non-executive Directors are also invited to the Group’s factories in China and are briefed by the CEO and various factory general managers on the business and ongoing projects of the Group.

No new director was appointed during the financial year under review. A new Independent Non-Executive Director, Mr Tan Seng Chun, was appointed subsequently on 1 March 2024.

The NC (see Provision 1.4) reviews and makes recommendations on the training and professional development programs to the Board. On a periodic basis, the Board is briefed on recent changes to the accounting standards and regulatory updates. New releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority (“ACRA”) which are relevant to the Directors are also circulated to the Board. As part of the Company’s continuing education for Directors, the Company undertakes to provide funding for continual professional development courses attended by the Directors.

During the financial year under review, the Board has been briefed on the changes to accounting standards by the external auditors and listing rules requirements by the Company Secretary. The CEO also updated the Board at each meeting on the business and strategic developments of the Group and industry trends.

## Provision 1.3 (Board approval)

Matters which require Board’s approval include corporate restructuring, material investments and divestments, key operational initiatives, significant fund raising exercises, release of Group results, dividends proposal and material interested person transactions.

## Provision 1.4 (Board committees)

The Board has established three committees, namely, the Audit Committee (“AC”), Nominating Committee (“NC”) and Remuneration Committee (“RC”), to assist it in the execution of its responsibilities. These committees operate within clearly defined terms of reference, setting out the committee composition, authorities and duties, including reporting back to the Board. The effectiveness of each committee is reviewed on an annual basis. Further information on the activities of these committees can be found in the various provisions contained in this report. The Board acknowledges that while these various Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board.

The current members of the Board and their membership on the Board committees of the Company are as follows:

Name of Director	Board appointments				Board committees as Chairman or member		
	Executive Director	Non-executive Director	Independent Director	Non-independent Director	AC	NC	RC
Queeny Ho (Chairman)		√		√	Member	Member	Member
Fung Chi Wai (CEO)	√			√			
Linna Hui Min	√			√			
Chua Keng Hiang		√	√		Chairman	Member	Member
Teng Cheong Kwee		√	√		Member	Chairman	Chairman
Tan Seng Chun <sup>^</sup>		√	√		Member	Member	Member

<sup>^</sup> Appointed as Independent Non-Executive Director on 1 March 2024

# CORPORATE GOVERNANCE

## Provision 1.5 (Board meetings and attendances)

The Board meets on a half-yearly basis and when necessary, ad-hoc meetings may be held. The Company Secretary consults Directors before fixing the dates of these meetings. The Company's Constitution provides for telephonic and videoconference meetings. Timely communication among members of the Board can also be achieved through electronic means. The Board and Board Committees also make decisions through circular resolutions. The attendance of Directors at meetings of the Board and Board committees during FY2023 is as follows:

Director	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held	3	3	1	1
No. of meetings attended:				
Queeny Ho	3	3	1	1
Fung Chi Wai	3	3 #	1 #	–
Linna Hui Min	3	3 #	1 #	–
Chua Keng Hiang	3	3	1	1
Teng Cheong Kwee	3	3	1	1

# Attendance by invitation of the Committee

## Provision 1.6 (Access to information)

All Directors have unrestricted access to the Company's records and information. The Directors are regularly provided with information on the Group's business activities and developments by Management.

To ensure that the Board is able to make informed decisions and discharge its duties and responsibilities, all Directors are provided with complete, adequate and timely information prior to meetings and on a regular basis. As a general rule, Board papers are sent to Directors three to five days before the Board meetings so that the Directors may better consider and understand the matters before the Board meetings and discussion time may be focused on questions that the Board may have regarding the matters to be considered. Management is prepared to provide further information and explanation on materials given to Directors and shall meet to discuss any issue prior to a Board meeting, if required.

## Provision 1.7 (Access to Management and Company Secretary)

At all times, the Directors have separate and independent access to the Management and the Company Secretary, who administers, attends and prepares minutes of all Board and Board Committee meetings. The Company Secretary is responsible for ensuring that Board procedures are followed, and that applicable laws and regulations, including requirements of the Companies Act, Securities and Futures Act and the Listing Rules of the SGX-ST, are complied with. The Company Secretary also assists the Chairman in ensuring good information flows within the Board and its Board Committees and between Management and non-executive Directors.

The Constitution of the Company provides that the appointment and removal of the Company Secretary is subject to the approval of the Board.

# CORPORATE GOVERNANCE

Where Directors, whether as a group or individually, require independent professional advice in the furtherance of their duties, the CEO and/or Company Secretary will assist in appointing a professional advisor to render the advice, and the cost of such professional advice will be borne by the Company. The Board and AC will be kept informed of such advice.

## **Board composition and guidance**

**Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.**

### Provision 2.1 (Board independence)

### Provision 2.2 (Independent directors)

As at the end of FY2023, the Board consisted of five Directors, of whom two are independent and non-executive. The Board is capable of exercising independent and objective judgement on matters and affairs of the Group. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, taking into consideration the long-term interests of the Group and its stakeholders. No individual or small group of individuals dominates the Board's decision making.

The Board notes that Provision 2.2 of the 2018 Code requires the independent Directors to make up a majority of the Board where the Chairman is not independent.

Details of the Directors' qualifications and experience are set out on pages 10 and 11 of the Annual Report. As mentioned under Provision 2.4, the Board has the appropriate mix of expertise and experience, and collectively possesses core competencies in areas such as accounting and finance, regulatory and management experience, business and industry knowledge, strategic planning experience and customer-based experience and knowledge. The Board is of the view that its current composition and size provides a diversity of views and facilitates effective decision-making, taking into consideration the scope and nature of the Group's operations, and in particular the challenges and demands of operating in China.

Taking into account the fact that the Chairman is non-executive, that the Chairman and CEO are unrelated and that the Company has appointed a lead independent director, the NC is of the view that the Board, with Independent Non-Executive Directors making up two-fifth of the Board, has a significant independent element to enable objective judgment on corporate affairs to be exercised. The Board also ensures that important issues are discussed robustly, with the Independent Non-Executive Directors frequently offering their views. Each Board member is cognizant of his/her role to demonstrate objectivity in his/her deliberations and exercise of judgement in the interest of the Company and its shareholders as a whole.

In view of the above, the Board is of the view that although the Board composition does not meet the requirement in Provision 2.2 of the 2018 Code, it has been able to discharge its duties and responsibilities with an appropriate level of independence, professionalism and diversity of thought, and make decisions in the best interests of the Company. The Board believes that its Board practices are consistent with the intent of Principle 2 of the 2018 Code.

The independence of the Independent Non-Executive Directors is assessed and reviewed by the NC annually. Please also refer to Provision 4.4 for further discussion on the independence of Directors.

### Provision 2.3 (Non-executive Directors)

As at the end of FY2023, the Board consisted of five Directors, of whom three are non-executive.

### Provision 2.4 (Board composition / Board diversity policy)

Please refer to pages 10 and 11 of the Annual Report for details regarding the Directors' qualifications and experience.

# CORPORATE GOVERNANCE

The Company has adopted a Board Diversity Policy, the objectives of which are the promotion and enhancement of decision-making through a balance of skills, knowledge, business and industry experience and diversity of perspectives appropriate to the Group's business to promote the inclusion of different perspectives and ideas, to mitigate against group think. In reviewing Board composition and succession planning, the NC considers the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors. The NC will monitor and implement this policy. On the recommendation of the NC, the Board may set certain measurable objectives and specific diversity targets to achieve an optimal Board composition, and these objectives and specific diversity targets may be reviewed by the NC from time to time to ensure their appropriateness.

The Board, together with the NC, will review its size and composition from time to time, to ensure that it has the diversity of talents and experience to govern the Group effectively.

All Board appointments are made based on merits, and each Director is appointed on the strength of his/her calibre, experience, background, business contacts and ability to contribute to the strategy and performance of the Group.

The Company is of the view that the Board currently has a satisfactory level of diversity in the present business environment. The current Board composition reflects diversity in backgrounds, experience and skill sets, and in age and gender.

The Company recognises the value of having gender diversity in its Board, but does not consider it necessary to set a specific target in this regard. The Company will, in its search for candidates for Board appointments, give due consideration to having female representation on the Board. Out of the five directors on the Board as at end of FY2023, two are females. Ms Queeny Ho, who chairs the Board, also sits on the AC, NC and RC as a member. Ms Linna Hui Min is an executive director and she oversees the marketing activities in China (including Hong Kong). In addition, the Board consisted of directors with ages ranging from mid-60s to late-70s, who have served on the Board for different tenures.

The Board is of the view that its current size and composition facilitates effective decision-making, taking into consideration the scope and nature of the Group's operations, and in particular the challenges and demands of operating in China. The NC is satisfied that the Board has the appropriate mix of expertise and experience, and collectively possesses core competencies in areas such as accounting and finance, regulatory and management experience, business and industry knowledge, strategic planning experience and customer-based experience and knowledge. The Board will, however, continue to review opportunities to refresh the Board with a view to expanding the skills, experience and diversity of the Board as a whole.

## Provision 2.5 (Meeting of independent directors without Management)

The Independent Directors, led by the Lead Independent Director, meet amongst themselves at least once a year without the presence of the Management and the Chairman of the Board to discuss and review any matters regarding the Group. The feedback and views expressed by the Independent Directors were communicated by the Lead Independent Director to the Board and/or the Chairman as appropriate.

## **Chairman and CEO**

**Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.**

## Provision 3.1 (Separation of Chairman and CEO roles)

The roles of the Chairman of the Board and the CEO are separate to ensure clear distinction of responsibilities, appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. Ms Queeny Ho, who is a non-independent and non-executive Director, serves as the Chairman whereas Mr Fung Chi Wai, an executive Director, is the CEO. The Chairman and the CEO are not related to each other.

# CORPORATE GOVERNANCE

## Provision 3.2 (Responsibilities of Chairman and CEO)

The CEO has executive responsibilities over the implementation and review of business directions and strategies for the Group as endorsed by the Board, and day-to-day operations of the Group while the responsibilities of the Chairman include the following:

- leading the Board in its review of the Group's strategies for sustainable growth;
- ensuring the overall effectiveness of the Board, Board Committees and individual Directors;
- scheduling Board meetings, setting the meeting agendas and ensuring that sufficient time is allocated for thorough discussion of agenda items;
- ensuring that Board members are provided with complete, adequate and timely information;
- promoting an open environment for debates and ensuring that non-executive Directors are able to speak freely and contribute effectively;
- fostering constructive dialogue between shareholders, the Board and Management at annual general meetings and other shareholder meetings;
- encouraging constructive relations within the Board and between the Board and Management; and
- promoting high standards of corporate governance and diversity of the Board.

## Provision 3.3 (Appointment of lead independent director)

The Board has appointed Mr Chua Keng Hiang to act as the Lead Independent Director. Mr Chua is also the AC Chairman and a member of the NC and RC.

The role of the Lead Independent Director is to co-ordinate and to lead the independent directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. He is available to all stakeholders should they have concerns which cannot be resolved or are inappropriate to be raised through the normal communication channels with the Chairman or the Management.

Shareholders with concerns may contact him directly, when contact through the normal channels via the Chairman, CEO or Group Financial Controller has failed to provide satisfactory resolution, or when such contact is inappropriate.

There were no queries or requests on any matters which required the Lead Independent Director's attention received during the financial year under review.

# CORPORATE GOVERNANCE

## Board membership

**Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

### Provision 4.1 (Responsibilities of NC)

The NC, which has written terms of reference, is responsible for making recommendations to the Board on all Board appointments and re-appointments. The NC's other responsibilities include the following:

- reviews the skills required by the Board, the size and succession plans of the Board;
- determines annually, and as and when circumstances require, the independence of each Director and ensures that the Board has sufficient number of independent Directors;
- evaluates whether or not a Director is able to and has been adequately carrying his/her duties as Director of the Company, when he/she has multiple board representations;
- proposes a framework for assessing Board effectiveness and individual Director's contribution, and carry out such assessment; and
- reviews and recommends to the Board, the training and professional development programmes for the Directors.

The NC seeks to refresh the Board membership progressively and in an orderly manner, to avoid losing institutional memory. The succession and leadership development plans for senior management are reviewed by the NC and approved by the Board.

All Directors submit themselves for re-nomination and re-election at least once every three years. Pursuant to the Company's Constitution, one-third of the Directors retire from office at the Company's annual general meeting ("AGM"). The Company's Constitution also provides that a newly appointed Director must submit himself/herself for re-election at the AGM following his/her appointment.

There was no alternate director on the Board for the financial year under review.

The Directors who are retiring and who will offer themselves for re-election at the forthcoming AGM (as set out in the Notice of AGM) are named below:

Director	Date of appointment	Date of last election	Due for re-election (√)
Queeny Ho	29 May 2009	26 April 2023	
Fung Chi Wai	10 August 2000	26 April 2023	
Linna Hui Min	26 March 2007	28 April 2022	√
Chua Keng Hiang	16 June 2000	30 April 2021	√
Teng Cheong Kwee	1 July 2021	28 April 2022	
Tan Seng Chun	1 March 2024	–	√

The NC is satisfied that Ms Linna Hui Min, Mr Chua Keng Hiang and Mr Tan Seng Chun are properly qualified for re-appointment by virtue of their business network, experience, skills and their contribution of guidance and time to the Board's deliberations. Further information regarding the Directors can be found on pages 96 to 102 (Additional Information on Directors Seeking Re-election) of the Annual Report.

# CORPORATE GOVERNANCE

## Provision 4.2 (Composition of NC)

As at the end of FY2023, the NC comprised Mr Teng Cheong Kwee as Chairman and Mr Chua Keng Hiang and Ms Queeny Ho as members, all of whom are non-executive Directors. Mr Teng Cheong Kwee and Mr Chua Keng Hiang are also independent Directors.

## Provision 4.3 (Selection, appointment and re-appointment of directors)

The NC is responsible for nomination of new Director for appointment and of retiring Directors for re-appointment, which will take into consideration the Director's contribution and performance. The assessment criteria include attendance record, preparedness, intensity of participation and candour at meetings of the Board and Board committees, as well as the quality of intervention and special contribution.

Where the need for a new Director arises or an existing Director is required to retire from office, the NC will review the competencies and experience of the Board, identify its needs, and draw up a short-list of candidates with the appropriate profile for nomination or re-nomination. Where necessary, the NC may seek advice from external search consultants. Upon appointment of the new Director, the Company will provide a formal letter of appointment to the Director, setting out the Director's duties and responsibilities.

Please also refer to the information provided under Provision 2.4.

## Provision 4.4 (Determining the independence of directors)

As at the end of FY2023, Mr Chua Keng Hiang has served on the Board beyond nine years from the date of his first appointment. The Board and the NC, with abstention from Mr Chua, carried out a rigorous review of Mr Chua's independence. After due discussion and consideration and with the concurrence of the NC, the Board is of the view that Mr Chua has demonstrated strong independence character and judgement over the years in discharging his duties and responsibilities as independent director of the Company and has shown utmost commitment in upholding the interest of the non-controlling shareholders. He has participated actively in the Board's and Board Committees' deliberations on matters brought up for discussions and decisions, putting forward his views, raising issues objectively and subjecting Management's assertions to scrutiny.

Mr Chua has confirmed in writing of his independence in accordance with the 2018 Code.

Taking into account the above, the Board has affirmed Mr Chua's independence status and resolved that Mr Chua continues to be considered an independent director, notwithstanding he has served on the Board beyond nine years from the date of his first appointment. Nonetheless, in compliance with the amended Listing Rule 210(5)(d)(iv), which will deem Mr Chua not qualify as an Independent Director beyond the forthcoming AGM of the Company, Mr Chua Keng Hiang who is due for retirement at the forthcoming AGM, will seek for re-election as a Non-Independent Non-Executive Director.

In carrying out the assessment of the independence of Mr Teng Cheong Kwee, the NC, with abstention from Mr Teng, considered and noted the following attributes and contributions of Mr Teng:

- providing objective, independent and constructive views to the Board, Board Committees and Management on matters brought up for review, discussion and decision;
- speaking up and offering practical and constructive suggestions on issues and working towards increasing value to the Group and for the benefit of all shareholders; and

# CORPORATE GOVERNANCE

- assisting the Group in discharging its corporate disclosure responsibilities and regulatory compliance obligations.

The NC is of the view that Mr Teng possesses relevant experience and knowledge of the Group's business, as well as external business and professional experience, and has been able to leverage these knowledge and experience to provide effective solutions and make constructive contributions to management discussions.

Mr Teng has confirmed in writing of his independence in accordance with the 2018 Code.

Accordingly, the Board, with abstention from Mr Teng, and after taking into consideration the views of the NC, is of the view that Mr Teng Cheong Kwee is independent of management and independent in character and judgement.

## Provision 4.5 (Time commitments of directors)

The NC has ascertained that for the financial year under review, the Directors have devoted sufficient time and attention to the Group's affairs.

All Directors are required to declare their board representations. For Directors who have board representations in other public listed companies, the NC will review the work and other commitments of such Directors and assess their ability to discharge their Board responsibilities. The NC is satisfied that the Directors have committed and are able to commit sufficient time, effort and attention to the affairs of the Group. The NC is of the view that fixing a cap on the number of listed company directorships that a director is allowed to take on is not meaningful in the context of the Group. The Board accepts and affirms the view of the NC.

All the Directors do not hold directorships in other listed companies for the financial year under review. Please refer to pages 10 and 11 for the other principal commitments of the Directors.

Please also refer to the information provided under Provisions 5.1 and 5.2.

## **Board performance**

**Principle 5: The Board undertakes a formal assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

## Provisions 5.1 and 5.2 (Evaluations of Board / Directors)

The Board has an established process to assess the performance and effectiveness of the Board as a whole, that of each of its Board Committees and of each Director. The appraisal process considered factors such as the size and composition of the Board, the expertise and experience of the Board, the Board's access to information, Board processes and accountability, risks management and internal controls, financial reporting and announcements and the Board's and Board Committees' performance in relation to their principal functions.

In evaluating the performance of individual Directors, the NC considered performance criteria which included business network, individual skills, industry experience and business knowledge, attendance record, contributions to strategy development and quality of participation at Board and Committee meetings.

For the financial year under review, the Directors were requested to complete appraisal forms to assess the overall effectiveness of the Board, Board Committees and their individual performance and contributions. The NC has discussed with the Board the results of assessment of the Board, Board Committees and individual Director's performance and effectiveness.

The Company did not engage any external facilitator for the above evaluations.



# CORPORATE GOVERNANCE

## **B. REMUNERATION MATTERS**

### **Procedures for developing remuneration policies**

**Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.**

Provision 6.1 (Roles of RC)

Provision 6.3 (Fairness of remuneration)

Provision 6.4 (Engagement of remuneration consultants)

The RC's principal responsibilities, as set out in its written terms of reference, are as follows:

- review and recommend to the Board a framework of remuneration for the Directors and key management personnel ("KMP");
- consider, review and approve and/or vary the specific remuneration packages for each executive Director and KMP;
- consider whether Directors should be eligible for benefits under long-term incentive schemes; and
- review the Group's obligations in the event of termination of executive Directors' and KMP's contracts of service, to ensure that such contracts contain fair and reasonable termination clauses which are not overly generous.

The service agreements for the executive Directors have fixed appointment period and clauses relating to early termination. None of the service agreements has any onerous removal clauses. Notice periods are three months for executive Directors.

The RC has access to expert advice from appropriate external advisors as and when it deems necessary. The Company did not engage any remuneration consultant during the financial year under review.

Provision 6.2 (Composition of RC)

As at the end of FY2023, the RC comprised Mr Teng Cheong Kwee as Chairman, and Mr Chua Keng Hiang and Ms Queeny Ho as members, all of whom are non-executive Directors. Mr Teng Cheong Kwee and Mr Chua Keng Hiang are also independent Directors.

### **Level and mix of remuneration**

**Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.**

Provision 7.1 (Linking rewards to corporate and individual performance)

Provision 7.3 (Appropriateness of remuneration)

The Group sets remuneration packages to ensure that it is competitive and sufficient to attract, retain and motivate the Directors and KMPs to run the Group successfully. In setting remuneration packages for the Directors and KMPs of the Group, the pay and employment conditions within the industry and in comparable companies are taken into account. The overall Group performance and performance of the individual Director or KMP are factors considered in determining the annual bonus for the employees.

# CORPORATE GOVERNANCE

The remuneration for the executive Directors and KMPs comprises a basic salary component and a variable component (incentive bonus) that is based on the Group's profit before taxation after minority interests and excluding any non-recurring items for each financial year. The RC believes that this measure of determining the variable bonus, which is moderate and sustainable, is aligned with the interests of the shareholders. It is also a performance measure used by other companies in similar industry, which allows for comparability. The RC is of the view that it is not necessary, in the Group's current circumstances, to include contractual provision to allow the Company to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss. It is noted that the executive Directors owe a fiduciary duty to the Company and the Company should be able to avail itself of legal remedies in the event of breach of such duty.

For the financial year under review, no incentive bonus was paid to the executive Directors and KMPs as the Group performance objective was not met.

## Provision 7.2 (Remuneration of non-executive directors)

The remuneration of non-executive Director is in the form of a fixed fee. For non-executive Directors, the remuneration packages take into account the level of contributions by the Directors and factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities of the Directors. Non-executive Directors are not over-compensated to the extent that their independence may be compromised. No Director is involved in deciding his/her own remuneration. The remuneration of non-executive Directors is recommended by the RC, approved by the Board, and subject to approval at the AGM.

## **Disclosure on remuneration**

**Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationship between remuneration, performance and value creation.**

## Provisions 8.1 and 8.3 (Remuneration of directors and key management personnel)

The remuneration of the Directors for the financial year ended 31 December 2023 was as follows:

Name	Below S\$250,000	S\$250,000 – S\$499,999
<b>Executive Director</b>		
Fung Chi Wai		√
Linna Hui Min	√	
<b>Non-Executive Director</b>		
Queeny Ho	√	
Chua Keng Hiang	√	
Teng Cheong Kwee	√	

As no bonus was paid to the Directors for FY2023, Mr Fung Chi Wai's remuneration comprised 91% as fixed salary, 4% as CPF / MPF (Hong Kong) contribution and 5% as benefits-in-kind, and Ms Linna Hui Min's remuneration comprised 98% as fixed salary and 2% as MPF (Hong Kong) contribution.

The KMPs (who are not Directors or the CEO) of the Group each earned below S\$250,000 in FY2023, and the remuneration was in the form of fixed salary and CPF contribution only. No bonus was paid in respect of FY2023, as mentioned under Provision 7.1.

# CORPORATE GOVERNANCE

The Company is not disclosing the remuneration of Directors and KMPs (who are not Directors or the CEO) of the Group as it believes that such disclosure is disadvantageous to the retention of personnel and business interests of the Group. Instead, the Company discloses the remuneration in bands of S\$250,000. For the same reason, the Company is also not disclosing the names and the aggregate remuneration of the Group's KMPs (who are not Directors or the CEO) except for those as disclosed on page 76 of the audited financial statements. The Group is of the view that disclosure of such information increases the risk of poaching by the Group's business competitors and would negatively impact the competitive edge of the Group. The Group has disclosed under Principle 7 its remuneration policies, and the relationship between corporate performance, value creation and its KMPs' remuneration. Taken as a whole, the Group believes that the disclosures provided are sufficiently transparent in providing an understanding of the remuneration of its Directors and KMPs, consistent with the intent of Principle 8 of the 2018 Code.

For the financial year under review, no termination, retirement or post-employment benefits have been granted to the Directors, the CEO and KMPs (who are not Directors or the CEO) of the Group.

Provision 8.2 (Remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company)

The Company and its subsidiary companies do not have any employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company.

The Company does not have any share-based compensation scheme or any long-term incentive scheme involving the offer of shares or options in place.

## **C. ACCOUNTABILITY AND AUDIT**

### **Risk management and internal controls**

**Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.**

Provision 9.1 (Determining the nature and extent of significant risks)

The Board recognises and is responsible for maintaining an adequate and effective system of risk management and internal controls (including financial, operational, compliance and information technology controls) to safeguard the Group's business and assets. It regularly reviews the Group's business and operational activities to identify areas of significant risks, as well as the adequacy of measures to control and mitigate these risks within the Group's policies and strategies.

The Group has established a risk management framework for the identification, assessment, monitoring and management of significant risks affecting the Group. Material risks, which include operational, financial, compliance and information technology risks, facing the Group are proactively identified and the internal controls to manage or mitigate those risks are put in place.

In addition, the internal and external auditors perform reviews in accordance with their audit plans, and material non-compliance and recommendations, if any, are reported to the AC. The AC also reviews the effectiveness of the actions taken by Management on the recommendations made by the auditors.

Provision 9.2 (Receipt of assurance from CEO / CFO or equivalent)

The AC, together with the Board and the Group Financial Controller, reviewed the effectiveness of the Group's internal control and risk management systems put in place to provide reasonable assurance that assets are safeguarded, proper accounting records are maintained and financial information are reliable.

# CORPORATE GOVERNANCE

For FY2023, the Board has received written assurance from:

- the CEO and the Group Financial Controller that the financial records of the Group have been properly maintained and the financial statements for the financial year ended 31 December 2023 give a true and fair view of the Group's operations and finances; and
- the CEO and the various business general managers that the system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

Based on the risk management framework established and maintained by the Group, the audit findings of our internal and external auditors, as well as the assurance received from the CEO and Group Financial Controller, the Board, with the concurrence of the AC, is of the opinion that the internal control and risk management systems put in place are adequate and effective to address the key financial, operational, compliance and information technology risks affecting the Group's operations as at 31 December 2023.

## **Audit Committee**

**Principle 10: The Board has an Audit Committee which discharges its duties objectively.**

### Provision 10.1 (Duties of the AC)

The AC, which has written terms of reference, performs the following functions:

- review half-yearly and annual financial statements to be released before submission to the Board for approval;
- review significant financial reporting and judgmental issues to ensure the integrity of the financial statements and any announcements relating to the Group's financial performance before submission to the Board for approval;
- review interested person transactions;
- review with the external auditors their audit plan, audit report and any other matters which the external auditors wish to discuss;
- review the assistance given by management to external auditors;
- review the independence and objectivity of the external auditors;
- review the nature and extent of non-audit services performed by external auditors;
- consider the appointment / re-appointment of external auditors and the audit fees;
- review with management the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls and risk management; and
- appoint internal auditors and review the scope and results of internal audit procedures undertaken.

The AC has also reviewed the assurances given by the CEO and Group Financial Controller on the financial records and financial statements (see Provision 9.2).

# CORPORATE GOVERNANCE

The AC also reviewed the adequacy of the Group's whistleblowing policy and procedures through which staff and external parties may raise concerns in confidence about possible improprieties in matters of financial reporting or other matters to the AC.

The Company's whistleblowing policy, which has been disseminated, provides details of the channels within the Group through which individuals may report any suspected wrongdoing. Individuals should notify the local management of the matter which they suspect may involve anything improper. In situations where individuals are concerned about making the disclosure to the local management, they may notify the Company's Administration Manager and/or the Chairman of the AC, whose contact details can be found in the policy. All whistleblowing disclosures made will be treated as confidential and will be reported to the AC Chairman.

The person contacted will acknowledge receipt of the disclosure within 3 working days and reply to the whistleblower to discuss the next steps. An investigation will be carried out as speedily and sensitively as possible in accordance with all laws and regulations.

As far as reasonably practicable, the confidentiality of the person reporting the suspected wrongdoing will be maintained. There may be circumstances, where, because of the nature of the investigation or disclosure, it is necessary to disclose the identity of the whistleblower. In such circumstances, the Company will inform the whistleblower before such disclosure is made.

As provided for in the Company's whistleblowing policy, if an individual makes an allegation in good faith, but that allegation is not confirmed by investigation, no action will be taken against the individual. In the event that a whistleblower believes he or she is being victimised by any person within the Group as a result of reporting a concern or assisting in any investigation under the whistleblowing policy, the whistleblower should inform the local General Manager, the Company's Administration Manager or the AC Chairman, and appropriate actions will be taken to protect the whistleblower from any reprisal.

The whistle blowing policy and procedures are reviewed by the AC from time to time to ensure that they remain relevant. The AC reports to the Board on such matters at the Board meetings. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board have access to appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant government authorities for further investigation or action.

The Group did not receive any whistle blowing report during FY2023 and until the date of this Annual Report.

The AC met three times in FY2023. Details regarding the members' attendance at these meetings are shown in page 16 of this report. The Directors and the Company Secretary were invited to these meetings. In addition to those described in other sections of this report, the principal activities of the AC during FY2023 are summarized below:

## Financial reporting

The AC met half-yearly and reviewed the half-year and full-year financial results announcements before submitting them to the Board for approval. In the process, the AC reviewed the audit plan and audit results report presented by the external auditors.

The AC also reviewed the annual financial statements, and discussed with Management, the Group Financial Controller and the external auditors the significant policies, judgment and estimates applied by Management in preparing the annual financial statements. Following the review and discussions, the AC then recommended to the Board for approval of the audited annual financial statements.

## External audit processes

On behalf of the Board, the AC manages the relationship with the Group's external auditors. During FY2023, the AC carried out its annual assessment of the auditor's audit approach and the cost effectiveness of the audit process, and concluded that the auditors demonstrated appropriate qualifications and expertise and that the audit process was effective.

# CORPORATE GOVERNANCE

BDO LLP, which is registered with the Accounting and Corporate Regulatory Authority (“ACRA”), is the external auditor of the Group and the Company.

The Group has also engaged BDO China Shu Lun Pan Certified Public Accountants LLP (“BDOSLP”) to audit its principal subsidiaries in China for the purpose of reporting the group accounts, although BDOSLP is not the statutory auditor for these entities. The AC is of the opinion that the Group has complied with Rules 712 and 715 of the SGX-ST’s Listing Manual in relation to its auditing firms.

## Auditor independence

The AC undertook a review of the independence and objectivity of the external auditors through discussions with the external auditors and reviewing the non-audit fees payable to them. The audit fee payable to auditors of the Company and their affiliates for FY2023 is S\$133,000. There is no non-audit fee payable to auditors of the Company and their affiliates for FY2023, and the AC is satisfied with the independence and objectivity of the external auditors.

The AC recommends to the Board the appointment, re-appointment and removal of external auditors, and approves the remuneration and terms of engagement of the external auditors.

In reviewing the nomination of BDO LLP for re-appointment for the financial year ending 31 December 2024, the AC has considered the adequacy of the resources, experience and competence of BDO LLP, and has taken into account the ACRA’s Audit Quality Indicators Disclosure Framework relating to BDO LLP at the firm level and at the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members in handling the audit. The AC also considered the audit team’s ability to work in a co-operative manner with the Management whilst maintaining integrity and objectivity and its ability to deliver their services professionally and within agreed timelines.

On the basis of the above, the AC is satisfied with the standard and quality of work performed by BDO LLP. It has recommended to the Board the nomination of BDO LLP for re-appointment as external auditors of the Company, subject to shareholders’ approval at the forthcoming AGM.

## Internal audit

The internal auditors planned their audit work in consultation with, but independent of the Management, and their yearly plan was submitted to the AC for review and approval prior to their commencement of work for FY2023. The AC oversaw the implementation of the internal audit plan and ensured that Management provided the necessary co-operation to enable the internal auditors to perform its function. The AC also reviewed the audit findings and recommendations of the internal auditors arising from the reviews undertaken during FY2023, and would ensure that the improvement measures to be undertaken by Management are implemented in due course.

Please refer to Provision 10.4 for further details regarding the internal audit function.

## Interested person transactions (“IPT”)

The AC reviewed the Group’s IPT to ensure that the transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company or its non-controlling shareholders, and the rules under Chapter 9 of the SGX-ST’s Listing Manual are complied with. On a half-yearly basis, Management reports to the AC the IPTs for the period under review. The Group does not have a general mandate from shareholders for interested party transactions pursuant to Rule 920 of the SGX-ST’s Listing Manual, and had not entered into any transaction with interested party of more than S\$100,000 in FY2023.

# CORPORATE GOVERNANCE

## Provision 10.2 (Composition of AC)

As at the end of FY2023, the AC comprised Mr Chua Keng Hiang as Chairman, and Mr Teng Cheong Kwee and Ms Queeny Ho as members, all of whom are non-executive Directors. Mr Chua Keng Hiang and Mr Teng Cheong Kwee are also independent Directors. Mr Chua Keng Hiang is a practicing public accountant with more than 40 years of accounting and auditing experience. Mr Teng Cheong Kwee has deep experience in regulatory compliance and had served as an independent director of several other SGX-listed companies. Ms Queeny Ho was a director of Jadason Enterprises (HK) Limited from July 1980 to January 2003. The Board is of the view that members of the AC have recent and relevant accounting or related financial management expertise or experience to discharge the AC's functions.

The AC members keep abreast of changes to accounting standards and issues which have a direct impact on financial statements by attending external seminars. The AC members are also briefed by the external auditors on such changes.

The AC discusses with Management regularly on the progress of major initiatives and significant financial reporting issues. It has power to investigate any matter within its terms of reference, having full unrestricted access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources, including access to external consultants, lawyers or other professionals as it sees fit to provide independent counsel and advice, at the Company's expense to discharge its functions properly.

## Provision 10.3

No former partner or director of the Company's existing auditing firm or audit corporation is a member of the AC.

## Provision 10.4 (Internal audit function)

For FY2023, the internal audit function of the Group is outsourced to Yang Lee and Associates ("YLA" or "internal auditors"). The internal auditors report primarily to the AC, and has unrestricted access to the documents, records, properties and personnel of the Group.

YLA is a professional service firm that specialises in the provision of internal audit, enterprise risk management and sustainability reporting advisory services. The firm was set up in the year 2005 and currently maintains a diverse outsourced internal audit portfolio of SGX-ST listed companies across different industries including distribution, manufacturing, services, food and beverage, trading, retail and property development. YLA is a corporate member of the Institute of Internal Auditors Singapore and is staffed with professionals with sufficient expertise in corporate governance, risk management, internal controls and other relevant disciplines.

The internal auditors are guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors.

The internal auditors completed one review during FY2023 in accordance with the risk-aligned internal audit plan approved by the AC.

The AC is of the opinion that the internal audit function is independent, effective and adequately resourced, and is satisfied that Listing Rule 1207(10C) has been complied with.

# CORPORATE GOVERNANCE

## Provision 10.5 (Meeting with external auditors and internal auditors)

The AC has met with the external auditors, BDO LLP, without the presence of the Company's Management, to review the financial results for FY2023 and the audit observations arising from the audit of the financial statements for FY2023. The AC has also met with the internal auditors (see Provision 10.4) without the presence of Management in January 2024, to review any matters which might be raised.

## **D. SHAREHOLDER RIGHTS AND ENGAGEMENT**

### **Shareholder rights and conduct of general meetings**

**Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

## Provisions 11.1 and 11.2 (Conduct of general meetings)

Shareholders are informed of general meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in the Business Times and posted onto the SGXNET and the Company's corporate website.

Shareholders are invited to submit questions to the Chairman of the Meeting in advance of, or to put forth any questions they may have on the motions to be voted on at the general meetings.

All the resolutions at the general meetings are single item resolutions. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting. Resolutions tabled at general meetings are put to vote by poll, conducted in the presence of independent scrutineers. The results showing the number of votes cast for and against each resolution and the respective percentages are announced immediately at the general meeting and through SGXNET on the same day.

After holding AGMs via electronic means in the past three years due to the Covid-19 pandemic, the Company held its FY2022 AGM on 26 April 2023 at a physical location in Singapore to encourage shareholders' participation. The rules, including voting procedures, that govern general meetings of shareholders, were explained by a representative from the independent scrutineer firm appointed at the general meeting.

## Provision 11.3 (Interaction with shareholders)

The AGM of the Company provides shareholders with the opportunity to air their views and ask Directors, chairpersons of each Board committees and Management questions regarding the Group. The Directors were all present at the FY2022 AGM, and will endeavour to be present at the forthcoming FY2023 AGM to be held on 26 April 2024.

The external auditors will also be present at the AGM to address any shareholders' queries about the conduct of the audit and the preparation and content of the auditor's report.

## Provision 11.4 (Participation of shareholders)

All shareholders of the Company are able to receive the annual report and notice of the AGM via the Company's corporate website and the SGXNET.



# CORPORATE GOVERNANCE

The Company's Constitution allows a shareholder of the Company to appoint up to two proxies to attend and vote in his place at general meetings. The Companies Act has been amended to allow 'relevant intermediaries' to appoint more than two proxies, so that shareholders who hold shares through these relevant intermediaries can attend and participate in general meetings as proxies. Relevant intermediaries include licensed corporations which provide nominee / custodial services and the Central Provident Fund ("CPF") Board. Hence, indirect investors, including CPF investors, can be appointed as proxies to participate in shareholders' meetings.

For the time being, the Company has decided not to provide for voting in absentia by mail, facsimile or electronic mail at AGM due to concern over the authentication of shareholders' identity.

## Provision 11.5 (Minutes of general meetings)

The Company prepares minutes of general meetings that include substantial and relevant comments and queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management. These minutes can be found on the Company's corporate website and the SGXNET within one month of the general meetings.

## Provision 11.6 (Dividend policy)

The Group does not have a fixed dividend policy as the nature of its business is cyclical and volatile. A downturn in the overall electronics sector could negatively affect the performance of the Group. However, the Directors are aware of the need to reward shareholders and will recommend payment of dividends after considering the financial performance and cash flow needs of the Group.

In view of the challenging operating environment faced by the Group, the Board does not recommend the payment of dividend for the financial year ended 31 December 2023.

## **Engagement with shareholders**

**Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.**

## Provisions 12.1, 12.2 and 12.3 (Communication with shareholders)

The Group is committed to providing shareholders with adequate, timely and sufficient information regarding changes to the Group's business which could have a material impact on the Company's share price.

Following the changes made by SGX on risk-based quarterly reporting in February 2020, the Company is not required to perform quarterly reporting of its financial statements. For FY2023, the Group provided shareholders with an assessment of its performance, position and prospects on a half-yearly basis via half-yearly announcements of results and other ad hoc announcements, when appropriate. Information on the Group's major new initiatives is also disseminated via SGXNET, followed by news release if necessary. The Company was placed on the watch-list (financial entry criteria) with effect from 6 June 2023 pursuant to Listing Rule 1311(1). In accordance with Listing Rule 1313(2), the Company had provided quarterly update on its efforts and progress made in meeting the exit criterion of the watch-list via SGXNET. The Company does not practise selective disclosure.

The Company has in place an email communication channel where shareholders could pose their questions and through which the Company may respond accordingly.

During AGMs, shareholders are able to proactively engage the Board and Management on the Group's business activities, financial performance and other business-related matters.

# CORPORATE GOVERNANCE

The Company is keen to see more broker research and analyst coverage and will work with research firms when the opportunity arises. When necessary and appropriate, the CEO meets up with analysts and fund managers who would like to have a better understanding of the business and operations of the Group.

## **E. MANAGING STAKEHOLDERS RELATIONSHIPS**

### **Engagement with stakeholders**

**Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.**

#### Provisions 13.1 and 13.2 (Engagement with stakeholder groups)

The identification of key stakeholders of the Group and the forms of engagement with them can be found in the Sustainability Report.

The materiality issues, covering economic, environmental, social and governance, which are important to these stakeholders have also been determined. The key areas of focus in relation to the management of stakeholder relationships are described in the Sustainability Report.

#### Provision 13.3 (Corporate website)

As mentioned earlier, material information on the financial results and business activities of the Group is disclosed through SGXNET, followed by press release if necessary. The Group's website, [www.jadason.com](http://www.jadason.com), also contains information on the Group which stakeholders can visit or use.

## **F. OTHER CORPORATE GOVERNANCE MATTERS**

### **Dealings in securities**

The Company observes the best practices on dealings in securities as recommended in the Listing Manual of SGX-ST. It has issued a policy to its Directors and officers setting out the guidance on dealings in the securities of the Company. Directors and employees of the Group are not allowed to deal in the Company's shares during the period commencing one month before the announcement of the Group's half-year and full-year results and ending on the date of the announcement of the results. Directors and officers are also expected to observe insider trading laws at all times, and are discouraged from dealing in the Company's securities on short-term considerations.

During the financial year under review, the Group issued reminders to the Directors and employees, informing them of the dates of the release of half-year and/or annual results and advising them not to deal in the Company's securities during the window periods. Directors of the Company are required to report to the Company Secretary whenever they deal in the Company's securities within two business days.

The Directors' interests in shares of the Company are found on page 35 of the Annual Report.

### **Material contracts**

Save for the service agreement of CEO, there were no material contracts entered into by the Company and its subsidiaries involving the interests of the CEO or any Director or substantial shareholder which were either still subsisting at the end of FY2023 or, if not then subsisting, entered into since the end of the previous financial year.



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# DIRECTORS' STATEMENT

The Directors of Jadason Enterprises Ltd (the “Company”) are pleased to present their statement to the members together with the audited consolidated financial statements of the Company and its subsidiaries (the “Group”) and the statement of changes in equity of the Company for the financial year ended 31 December 2023 and the statement of financial position of the Company as at 31 December 2023.

## 1. Opinion of the Directors

In the opinion of the Board of Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company together with notes thereon are properly drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 2. Directors

The Directors of the Company in office at the date of this statement are:

Queeny Ho	(Non-Executive Chairman)
Fung Chi Wai	(Chief Executive Officer)
Linna Hui Min	
Chua Keng Hiang	
Teng Cheong Kwee	
Tan Seng Chun	(appointed on 1 March 2024)

## 3. Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

# DIRECTORS' STATEMENT

## 4. Directors' interests in shares and debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations as recorded in the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), except as follows:

Name of Director	Direct interest		Deemed interest	
	At the beginning of the financial year	At the end of the financial year	At the beginning of the financial year	At the end of the financial year
<b>The Company</b>				
<b>Jadason Enterprises Ltd</b>				
<b>(Ordinary shares)</b>				
Queeny Ho <sup>(1), (2)</sup>	–	–	236,000,000	236,000,000
Fung Chi Wai	32,700,000	32,700,000	–	–
Chua Keng Hiang	8,500,000	8,500,000	–	–
Linna Hui Min	8,380,000	8,380,000	–	–

<sup>(1)</sup> By virtue of Section 7 of the Act, Queeny Ho is deemed to have interests in the shares of all subsidiary corporations of the Company at the beginning and at the end of the financial year.

<sup>(2)</sup> Queeny Ho is deemed to have an interest in 236,000,000 (2022: 236,000,000) shares held under Citibank Nominees Singapore Pte Ltd as her nominee.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the register of Directors' shareholdings, the Directors' interest as at 21 January 2024 in the shares of the Company have not changed from those disclosed as at 31 December 2023.

## 5. Share options

There were no share options granted by the Company or its subsidiary corporations during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under options as at the end of the financial year.

# DIRECTORS' STATEMENT

## 6. Audit Committee

The Audit Committee (“AC”) carried out its functions in accordance with section 201B(5) of the Act, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and ensured the adequacy of the Company’s system of internal accounting controls and the assistance given by the Group’s management to the external auditors;
- Reviewed the annual financial statements and the auditors’ report thereon before submission to the Board of Directors;
- Reviewed effectiveness of the Group’s and Company’s material internal controls, including financial, operational and compliance controls and risk management;
- Met with the internal and external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditors;
- Recommended to the Board of Directors the external auditors to be nominated, approved the compensation of the external auditors, and reviewed the scope, results and quality of the audit;
- Reported actions and minutes of the AC to the Board of Directors with such recommendations as the AC considers appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited (“SGX-ST”)’s Listing Manual.

The AC convened three meetings during the year with full attendance from all members. The AC has also met with the internal and external auditors, without the presence of the Company’s management, at least once a year.

The AC confirmed that it has undertaken a review of all non-audit services provided by the external auditors to the Group and is satisfied that the nature and extent of such services would not affect the independence of the external auditors.

The AC has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any Director and Executive Officer of the Group to attend its meetings. The external auditors have unrestricted access to the AC.

The AC has recommended to the Board of Directors the nomination of BDO LLP, for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting.

# DIRECTORS' STATEMENT

## 7. Independent auditors

The independent auditors, BDO LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

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**Fung Chi Wai**

Director

Singapore  
28 March 2024

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**Linna Hui Min**

Director

# INDEPENDENT AUDITORS' REPORT

To the Members of Jadason Enterprises Ltd  
For the financial year ended 31 December 2023

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Jadason Enterprises Ltd (the "Company") and its subsidiaries (the "Group") as set out on pages 42 to 88, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the financial year then ended; and
- notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023, and of the consolidated financial performance, consolidated changes in equity, consolidated cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSA"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



# INDEPENDENT AUDITORS' REPORT

To the Members of Jadason Enterprises Ltd  
For the financial year ended 31 December 2023

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## KEY AUDIT MATTER

## AUDIT RESPONSE

### 1 Impairment of property, plant and equipment

As at 31 December 2023, the carrying amount of the Group's property, plant and equipment was \$3,663,000, which included plant and equipment with a carrying amount of \$3,079,000. The Group had assessed that there were indicators of impairment on property, plant and equipment held by certain subsidiaries that were loss making. As such, management performed an impairment assessment by determining their recoverable amounts using the fair value less costs of disposal method.

When performing the impairment assessment, the Group engaged an independent professional valuer to assess the fair value of the Group's plant and machinery. The valuation required significant judgement to be made in determining the appropriate valuation methodology and the key assumptions used which include budgeted purchase cost and incidental costs to purchase the similar machinery, adjusted for physical deterioration and economic obsolescence rate. Arising from this assessment, the Group recorded an impairment loss of \$905,000 for plant and machinery during the financial year.

Owing to the involvement of significant judgements and estimates in the impairment assessment, we have determined this to be a key audit matter.

Refer to Notes 4(b) and 9 to the accompanying financial statements.

We performed the following audit procedures, amongst others:

- Held discussions with management and independent valuer to understand the basis of impairment assessment;
- Assessed the objectivity and competency of the independent valuer which included considering their experience and qualification in performing valuation for similar types of assets;
- Evaluated the appropriateness of the valuation methodology used in determining the fair value less costs of disposal;
- Held discussions with the independent valuer and component auditor to understand the critical underlying assumptions applied and evaluated the reasonableness of the key inputs and assumptions used; and
- Assessed the adequacy of the disclosures in the financial statements with respect to the impairment assessment.

## Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# INDEPENDENT AUDITORS' REPORT

To the Members of Jadason Enterprises Ltd  
For the financial year ended 31 December 2023

## Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

# INDEPENDENT AUDITORS' REPORT

To the Members of Jadason Enterprises Ltd  
For the financial year ended 31 December 2023

## Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Leong Hon Mun Peter.

### **BDO LLP**

Public Accountants and  
Chartered Accountants

Singapore  
28 March 2024

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

		Group	
	Note	2023 \$'000	2022 \$'000
Revenue	3	21,924	32,151
Cost of sales		(21,154)	(31,270)
Gross profit		770	881
Other income	4(a)	672	1,974
Selling and distribution expenses		(910)	(1,155)
Administrative expenses		(4,769)	(6,994)
Finance costs	5	(239)	(576)
Other expenses	4(b)	(3,495)	(1,069)
<b>Loss before income tax</b>	6	(7,971)	(6,939)
Income tax expense	7	(1)	(7)
<b>Loss for the financial year attributable to owners of the Company</b>		(7,972)	(6,946)
<b>Other comprehensive income:</b>			
<b>Item that may be reclassified subsequently to profit or loss</b>			
Exchange differences on translating foreign operations		(396)	(1,289)
Translation reserve transferred to profit or loss upon liquidation of foreign branch		77	–
Other comprehensive income for the financial year, net of tax		(319)	(1,289)
<b>Total comprehensive income for the financial year attributable to owners of the Company</b>		(8,291)	(8,235)
<b>Loss per share attributable to owners of the Company (in cents)</b>			
Basic and diluted	8	(1.10)	(0.96)

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	9	3,663	4,935	8	11
Right-of-use assets - land use rights	10	326	355	–	–
Right-of-use assets	11(a)	207	3,874	60	237
Investments in subsidiaries	12	–	–	12,008	15,327
		4,196	9,164	12,076	15,575
<b>Current assets</b>					
Inventories	13	665	1,444	437	211
Trade and other receivables	14	6,918	8,722	2,242	1,633
Prepayments		79	130	32	37
Cash and cash equivalents	15	9,486	11,465	398	168
		17,148	21,761	3,109	2,049
<b>Total assets</b>		21,344	30,925	15,185	17,624
<b>Current liabilities</b>					
Trade and other payables	16	12,264	11,605	12,425	10,818
Lease liabilities	11(b)	1,374	1,090	74	168
Bank borrowings	17	510	495	510	495
Income tax payable		386	400	–	–
Provision	18	1,063	–	–	–
		15,597	13,590	13,009	11,481
<b>Net current assets/(liabilities)</b>		1,551	8,171	(9,900)	(9,432)
<b>Non-current liabilities</b>					
Bank borrowings	17	437	947	437	947
Lease liabilities	11(b)	810	3,593	10	84
Provision	18	157	161	–	–
		1,404	4,701	447	1,031
<b>Total liabilities</b>		17,001	18,291	13,456	12,512
<b>Net assets</b>		4,343	12,634	1,729	5,112
<b>Equity attributable to owners of the Company</b>					
Share capital	19(a)	50,197	50,197	50,197	50,197
Treasury shares	19(b)	(307)	(307)	(307)	(307)
Reserves	20	(45,547)	(37,256)	(48,161)	(44,778)
<b>Total equity</b>		4,343	12,634	1,729	5,112

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

	Attributable to owners of the Company						Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Foreign currency translation account \$'000	Reserve and enterprise expansion funds \$'000	Accumulated losses \$'000	Total reserves \$'000	
<b>Group</b>							
<b>2023</b>							
Balance at 1 January 2023	50,197	(307)	(3,495)	5,711	(39,472)	(37,256)	12,634
Loss for the financial year	–	–	–	–	(7,972)	(7,972)	(7,972)
<u>Other comprehensive income</u>							
<i>Item that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translating foreign operations	–	–	(396)	–	–	(396)	(396)
Translation reserve transferred to profit or loss upon liquidation of foreign branch	–	–	77	–	–	77	77
Total comprehensive income for the financial year	–	–	(319)	–	(7,972)	(8,291)	(8,291)
Balance at 31 December 2023	50,197	(307)	(3,814)	5,711	(47,444)	(45,547)	4,343

	Attributable to owners of the Company						Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Foreign currency translation account \$'000	Reserve and enterprise expansion funds \$'000	Accumulated losses \$'000	Total reserves \$'000	
<b>Group</b>							
<b>2022</b>							
Balance at 1 January 2022	50,197	(307)	(2,206)	5,711	(32,526)	(29,021)	20,869
Loss for the financial year	–	–	–	–	(6,946)	(6,946)	(6,946)
<u>Other comprehensive income</u>							
<i>Item that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translating foreign operations	–	–	(1,289)	–	–	(1,289)	(1,289)
Total comprehensive income for the financial year	–	–	(1,289)	–	(6,946)	(8,235)	(8,235)
Balance at 31 December 2022	50,197	(307)	(3,495)	5,711	(39,472)	(37,256)	12,634

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

	Share capital \$'000	Treasury shares \$'000	Foreign currency translation account \$'000	Accumulated losses \$'000	Total reserves \$'000	Total equity \$'000
<b>Company</b>						
<b>2023</b>						
Balance at 1 January 2023	50,197	(307)	(77)	(44,701)	(44,778)	5,112
Loss for the financial year	–	–	–	(3,460)	(3,460)	(3,460)
<u>Other comprehensive income</u>						
Translation reserve transferred to profit or loss upon liquidation of foreign branch	–	–	77	–	77	77
Total comprehensive income for the financial year	–	–	77	(3,460)	(3,383)	(3,383)
Balance at 31 December 2023	50,197	(307)	–	(48,161)	(48,161)	1,729

	Share capital \$'000	Treasury shares \$'000	Foreign currency translation account \$'000	Accumulated losses \$'000	Total reserves \$'000	Total equity \$'000
<b>Company</b>						
<b>2022</b>						
Balance at 1 January 2022	50,197	(307)	(92)	(43,337)	(43,429)	6,461
Loss for the financial year	–	–	–	(1,364)	(1,364)	(1,364)
<u>Other comprehensive income</u>						
<i>Item that may be reclassified subsequently to profit or loss</i>						
Exchange differences on translating foreign operations	–	–	15	–	15	15
Total comprehensive income for the financial year	–	–	15	(1,364)	(1,349)	(1,349)
Balance at 31 December 2022	50,197	(307)	(77)	(44,701)	(44,778)	5,112

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>		
Loss before income tax	(7,971)	(6,939)
Adjustments for:		
Allowance for slow-moving inventories	920	456
Depreciation of right-of-use assets	1,078	2,456
Depreciation of property, plant and equipment	114	223
Amortisation of right-of-use assets - land use rights	16	17
Interest expense	239	576
Interest income	(153)	(112)
Gain on lease modification	(297)	–
Gain on lease termination	–	(746)
Gain on disposal of property, plant and equipment	(33)	(537)
Write-off of inventories	–	12
Write-off of property, plant and equipment	–	23
Write-back of allowance for slow-moving inventories	(19)	(6)
Loss allowance for trade receivables	134	–
Reversal of loss allowance for trade receivables	(46)	–
Impairment loss on property, plant and equipment	905	125
Impairment loss on right-of-use assets	1,418	–
Provision for staff retrenchment cost	451	–
Provision for reinstatement cost	612	–
Unrealised foreign exchange (gain) / loss	(13)	580
Operating cash flows before changes in working capital	(2,645)	(3,872)
Changes in working capital:		
Trade and other receivables	1,680	3,326
Prepayments	51	81
Inventories	(122)	755
Trade and other payables	972	(1,107)
Cash flows used in operations	(64)	(817)
Income tax refund	–	79
<b>Net cash flows used in operating activities</b>	(64)	(738)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2)	(8)
Interest received	153	112
Proceeds from disposal of property, plant and equipment	44	625
<b>Net cash flows from investing activities</b>	195	729

The accompanying notes form an integral part of these financial statements.



# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	2023 \$'000	2022 \$'000
<b>Cash flows from financing activities</b>		
Proceeds from trust receipts	–	1,198
Repayment of trust receipts	–	(3,105)
Repayment of bank borrowings	(495)	(479)
Interest paid	(35)	(68)
Repayment of principal portion of lease liabilities	(985)	(2,461)
Repayment of interest portion of lease liabilities	(204)	(508)
<b>Net cash flows used in financing activities</b>	<u>(1,719)</u>	<u>(5,423)</u>
Net change in cash and cash equivalents	(1,588)	(5,432)
Cash and cash equivalents at beginning of the financial year	11,465	17,700
Effects of exchange rate changes on cash and cash equivalents	(391)	(803)
Cash and cash equivalents at end of the financial year (Note 15)	<u>9,486</u>	<u>11,465</u>

Please refer to Note 11(b) on the reconciliation of liabilities arising from lease liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

These notes form an integral part of and should be read in conjunction with the financial statements.

## 1. General corporate information

Jadason Enterprises Ltd (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Main Board of Singapore Exchange Securities Trading Limited (“SGX-ST”).

The registered office and principal place of business of the Company is located at 3 Kaki Bukit Crescent #03-01, Singapore 416237. The Company’s registration number is 199003898K.

The Group’s controlling shareholder is Ms. Queeny Ho.

The principal activities of the Company are those of an investment holding company and distribution of machines and materials 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 Branch was liquidated since 15 August 2023.

The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

The statement of financial position of the Company as at 31 December 2023, the consolidated financial statements of the Company and its subsidiaries (“the Group”) and the statement of changes in equity of the Company for the financial year ended 31 December 2023 were authorised for issue in accordance with a Directors’ resolution dated 28 March 2024.

## 2. Basis of preparation of financial statements

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) under the historical cost convention, except as disclosed in the material accounting policy information in the relevant notes to the financial statements. As at 31 December 2023, although the Company’s current liabilities exceeded its current assets by approximately \$9,900,000 (2022: \$9,432,000), it had net assets of approximately \$1,729,000 (2022: \$5,112,000). The management is of the view that it is appropriate for the financial statements to be prepared on the going concern basis as the Company is able to control the timing of the payment associated with the amount due to the wholly-owned subsidiaries as well as to obtain fundings from the wholly-owned subsidiaries when required.

Items included in the individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The consolidated financial statements of the Group, the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar, which is the functional currency of the Company and the presentation currency of the financial statements. The financial statements are expressed in Singapore dollar (“\$”) and rounded to the nearest thousand (“\$’000”), unless otherwise stated.

The preparation of financial statements in compliance with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the Group’s application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below and detailed disclosures are included in the respective notes to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Basis of preparation of financial statements (Continued)

Significant accounting estimates and assumptions used:

- Note 9 - Impairment of property, plant and equipment
- Note 12 - Impairment of investments in subsidiaries
- Note 13 - Allowance for slow-moving inventories
- Note 23.1 - Expected credit losses ("ECL") for trade receivables

### Changes in accounting policies

*New standards, amendments and interpretations effective from 1 January 2023*

In the current financial year, the Group and the Company have adopted all the new and revised SFRS(I) that are relevant to their operations and effective for the current financial year. The adoption of these new or revised SFRS(I) did not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior financial years, except as disclosed below:

*Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Disclosure of Accounting Policies and SFRS(I) Practice Statement 2*

The amendments change the disclosure requirements with respect to accounting policies from "significant accounting policies" to "material accounting policy information". The amendments provide guidance on when accounting policy is likely to be considered material.

Management has followed the guidance in the amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 in determining which accounting policy information is material. For the preparation of financial statements for the financial year ended 31 December 2023, the material accounting policy information have been included in the respective notes to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Basis of preparation of financial statements (Continued)

### Changes in accounting policies (Continued)

#### *SFRS(I) issued but not yet effective*

At the date of authorisation of these financial statements, the following standards were issued but not yet effective, and have not been adopted early in these financial statements:

		<b>Effective date (annual periods beginning on or after)</b>
SFRS(I) 10 and SFRS(I) 1-28 (Amendments)	: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
SFRS(I) 1-1 (Amendments)	: Classification of Liabilities as Current or Non-current	1 January 2024*
SFRS(I) 16 (Amendments)	: Lease Liability in Sale and Leaseback	1 January 2024
SFRS(I) 1-1 (Amendments)	: Non-current Liabilities with Covenants	1 January 2024
SFRS(I) 1-7 and SFRS(I) 7 (Amendments)	: Supplier Finance Arrangements	1 January 2024
SFRS(I) 1-21 (Amendments)	: Lack of Exchangeability	1 January 2025

\* The mandatory effective date of this Amendment had been revised from 1 January 2022 to 1 January 2023 issued in July 2020 via Amendment to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current—Deferral of Effective Date* and further revised to 1 January 2024 in December 2022 via Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*.

Management anticipates that the adoption of the above new standards, amendments and interpretations, if applicable, in future periods will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Revenue

	Equipment and supplies		Manufacturing and support services		Total revenue	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Group</b>						
<b>Primary geographical markets</b>						
Singapore	9,448	6,840	877	1,170	10,325	8,010
The People's Republic of China	7,988	18,044	1,725	3,819	9,713	21,863
Others	1,397	1,617	489	661	1,886	2,278
	<u>18,833</u>	<u>26,501</u>	<u>3,091</u>	<u>5,650</u>	<u>21,924</u>	<u>32,151</u>
<b>Timing of transfer of goods or service</b>						
Point in time	18,833	26,501	2,042	4,804	20,875	31,305
Over time	–	–	1,049	846	1,049	846
	<u>18,833</u>	<u>26,501</u>	<u>3,091</u>	<u>5,650</u>	<u>21,924</u>	<u>32,151</u>

The Group supplies equipment, spare parts and materials for the Printed Circuit Board (“PCB”) industry as well as rendering services such as PCB drilling and repair and maintenance of machines.

### (i) Equipment and supplies

Revenue from sales and distribution of PCB related products are recognised at point in time when control of the products has been transferred, being when the goods are delivered to the customers, the customers have full discretion to direct the use of the products and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the risk of obsolescence and loss have been transferred, and being acknowledged by customers for in-country sales. For oversea sales, acknowledgement is in accordance with the shipping incoterms.

### (ii) Manufacturing and support services

Revenue from the rendering of PCB drilling and repair and maintenance services are recognised at point in time upon the completion of services and all criteria for acceptance has been satisfied.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4. (a) Other income

	Group	
	2023 \$'000	2022 \$'000
Interest income from financial institutions	153	112
Income from scrap sales	–	180
Government grants	32	168
Rent concession granted	3	9
Rental income of equipment	48	–
Gain on disposal of property, plant and equipment	33	537
Gain on lease modification	297	–
Gain on lease termination	–	746
Sundry income	106	222
	672	1,974

Gain on lease modification pertained to the lease modification in relation to the reduction in the lease term of existing lease agreement.

Gain on lease termination pertained to the de-recognition of right-of-use assets and lease liabilities of lease agreements which were terminated before their expiry in previous financial year.

## (b) Other expenses

	Group	
	2023 \$'000	2022 \$'000
Impairment loss on property, plant and equipment (Note 9)	905	125
Impairment loss on right-of-use assets (Note 11(a))	1,418	–
Provision for staff retrenchment cost	451	–
Provision for reinstatement cost	612	–
Restoration expenses	–	289
Foreign exchange loss, net	109	655
	3,495	1,069

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 5. Finance costs

	Group	
	2023 \$'000	2022 \$'000
Interest expense:		
- Bank borrowings	35	49
- Lease liabilities	204	508
- Trust receipts	–	19
	239	576

## 6. Loss before income tax

The following items have been included in arriving at loss before income tax:

	Group	
	2023 \$'000	2022 \$'000
Depreciation of right-of-use assets	1,078	2,456
Depreciation of property, plant and equipment	114	223
Write-off of property, plant and equipment	–	23
Amortisation of right-of-use assets - land use rights	16	17
Directors' fees	150	150
Write-back of allowance for slow-moving inventories	(19)	(6)
Write-off of inventories	–	12
Allowance for slow-moving inventories	920	456
Loss allowance for trade receivables	134	–
Reversal of loss allowance for trade receivables	(46)	–
Lease expenses - short term leases and low value assets	61	55
Audit fees:		
- auditors of the Company	67	65
- other auditors – network firms	66	98
- other auditors – non-network firms	38	29
Non-audit fees:		
Non-audit related services		
- auditors of the Company	–	–
- other auditors – network firms	–	–
- other auditors – non-network firms	4	4

There are no audit-related services fee paid/payable to the auditors of the Company and other auditors.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 6. Loss before income tax (Continued)

The loss before income tax also includes:

	Group	
	2023	2022
	\$'000	\$'000
Employee benefits expenses:		
- salaries and other short-term benefits	4,010	5,456
- defined contribution plans	318	590
	4,328	6,046

The above includes the amounts shown as key management personnel remuneration (excludes Directors' fees) as disclosed in Note 21 to the financial statements.

Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund and Hong Kong Mandatory Provident Fund Scheme are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution plan.

## 7. Income tax expense

	Group	
	2023	2022
	\$'000	\$'000
Current income tax:		
- under provision in prior financial years	1	-
Withholding tax:		
- paid on services rendered to overseas customers	-	7
Total income tax expense recognised in profit or loss	1	7

The corporate income tax rate applicable to the Company was 17% (2022: 17%). The corporate income tax rates applicable to The People's Republic of China, Malaysia and Hong Kong subsidiaries of the Group were 25% (2022: 25%), 24% (2022: 24%) and 16.5% (2022: 16.5%) respectively.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 7. Income tax expense (Continued)

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2022: 17%) to loss before income tax as a result of the following differences:

	Group	
	2023 \$'000	2022 \$'000
Loss before income tax	(7,971)	(6,939)
Tax at Singapore statutory income tax rate of 17% (2022: 17%)	(1,355)	(1,180)
Tax effects of expenses not deductible for income tax purposes	1,034	450
Tax effect of income not subject to tax	(22)	(131)
Deferred tax assets not recognised	991	1,356
Utilisation of deferred tax assets previously not recognised	(40)	(201)
Differences in tax rates of other countries	(608)	(294)
Under-provision of current income tax in prior financial years	1	–
Withholding tax	–	7
Total income tax expense recognised in profit or loss	1	7

Unrecognised deferred tax assets are attributable to:

	Group	
	2023 \$'000	2022 \$'000
Unutilised tax losses	8,783	7,847
Unabsorbed capital allowances	21	21
	8,804	7,868

As at 31 December 2023, the Group has unutilised tax losses and unabsorbed capital allowances amounting to approximately \$43,480,000 and \$104,000 (2022: \$39,808,000 and \$107,000) respectively available for set-off against future taxable profits for which no deferred tax is recognised due to uncertainty of its recoverability. The utilisation of these tax losses and capital allowances is subject to agreement of the tax authorities and compliance with the relevant provisions of the tax legislation of the respective countries in which the subsidiaries operate.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 7. Income tax expense (Continued)

The total unutilised tax losses of the subsidiaries in the jurisdiction of The People's Republic of China amounting to approximately \$17,186,000 (2022: \$13,450,000) can only be utilised for set-off against its future taxable profits within five years from the date the tax losses were incurred. The expiry dates for these unutilised tax losses are as follows:

	Group	
	2023 \$'000	2022 \$'000
2023	–	676
2024	2,355	2,355
2025	1,255	1,255
2026	3,053	3,053
2027	6,111	6,111
2028	4,412	–
	<u>17,186</u>	<u>13,450</u>

## 8. Loss per share

The following table reflects the results and share data used in the computation of basic and diluted earnings per share for the financial years ended 31 December:

	Group	
	2023	2022
Loss for the financial year attributable to owners of the Company used in computation of basic and diluted loss per share (\$'000)	<u>(7,972)</u>	<u>(6,946)</u>
Weighted average number of ordinary shares for basic and diluted loss per share computation ('000)	<u>722,395</u>	<u>722,395</u>
Loss per share (in cents):		
- Basic and diluted	<u>(1.10)</u>	<u>(0.96)</u>

The calculations of basic loss per share for the relevant periods are based on loss attributable to owners of the Company for the financial years ended 31 December 2023 and 31 December 2022 divided by the weighted average number of ordinary shares in the relevant periods.

The diluted loss per share for the relevant periods are the same as the basic loss per share as the Group does not have any dilutive options for the relevant periods.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 9. Property, plant and equipment

	Leasehold building \$'000	Leasehold improvements \$'000	Furniture, fittings and office equipment \$'000	Motor vehicles \$'000	Plant and machinery \$'000	Total \$'000
<b>Group</b>						
<b>Cost</b>						
At 1 January 2023	2,117	2,804	1,260	1,115	63,025	70,321
Additions	–	–	2	–	–	2
Disposals	–	–	(2)	(224)	(465)	(691)
Write-off	–	(19)	(23)	–	(404)	(446)
Currency translation adjustment	(98)	(189)	(46)	(24)	(2,792)	(3,149)
At 31 December 2023	2,019	2,596	1,191	867	59,364	66,037
<b>Accumulated depreciation and impairment loss</b>						
At 1 January 2023	1,736	2,517	1,260	1,073	58,800	65,386
Depreciation for the financial year	70	8	14	9	13	114
Impairment loss for the financial year	–	–	–	–	905	905
Disposals	–	–	(2)	(224)	(454)	(680)
Write-off	–	(19)	(23)	–	(404)	(446)
Currency translation adjustment	(67)	(182)	(58)	(23)	(2,575)	(2,905)
At 31 December 2023	1,739	2,324	1,191	835	56,285	62,374
<b>Net carrying amount</b>						
At 31 December 2023	280	272	–	32	3,079	3,663

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 9. Property, plant and equipment (Continued)

	Leasehold building \$'000	Leasehold improvements \$'000	Furniture, fittings and office equipment \$'000	Motor vehicles \$'000	Plant and machinery \$'000	Total \$'000
<b>Group</b>						
<b>Cost</b>						
At 1 January 2022	2,365	11,029	2,944	1,463	100,916	118,717
Additions	–	–	8	–	–	8
Disposals	–	(7,462)	(353)	(200)	(29,888)	(37,903)
Write-off	–	–	(1,235)	(98)	(32)	(1,365)
Currency translation adjustment	(248)	(763)	(104)	(50)	(7,971)	(9,136)
At 31 December 2022	2,117	2,804	1,260	1,115	63,025	70,321
<b>Accumulated depreciation and impairment loss</b>						
At 1 January 2022	1,825	10,522	2,932	1,367	96,273	112,919
Depreciation for the financial year	76	55	30	14	48	223
Impairment loss for the financial year	–	125	–	–	–	125
Disposals	–	(7,462)	(352)	(181)	(29,820)	(37,815)
Write-off	–	–	(1,235)	(80)	(27)	(1,342)
Currency translation adjustment	(165)	(723)	(115)	(47)	(7,674)	(8,724)
At 31 December 2022	1,736	2,517	1,260	1,073	58,800	65,386
<b>Net carrying amount</b>						
At 31 December 2022	381	287	–	42	4,225	4,935

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 9. Property, plant and equipment (Continued)

	Leasehold improvements \$'000	Furniture, fittings and office equipment \$'000	Motor vehicles \$'000	Plant and machinery \$'000	Total \$'000
<b>Company</b>					
<b>Cost</b>					
At 1 January 2023	160	737	356	987	2,240
Disposals	–	(2)	(125)	–	(127)
Write-off	–	(15)	–	–	(15)
At 31 December 2023	160	720	231	987	2,098
<b>Accumulated depreciation and impairment loss</b>					
At 1 January 2023	160	732	356	981	2,229
Depreciation for the financial year	–	2	–	1	3
Disposals	–	(2)	(125)	–	(127)
Write-off	–	(15)	–	–	(15)
At 31 December 2023	160	717	231	982	2,090
<b>Net carrying amount</b>					
At 31 December 2023	–	3	–	5	8
<b>Cost</b>					
At 1 January 2022	160	739	356	981	2,236
Additions	–	1	–	6	7
Disposals	–	(1)	–	–	(1)
Write-off	–	(2)	–	–	(2)
At 31 December 2022	160	737	356	987	2,240
<b>Accumulated depreciation and impairment loss</b>					
At 1 January 2022	160	734	356	981	2,231
Depreciation for the financial year	–	1	–	–	1
Disposals	–	(1)	–	–	(1)
Write-off	–	(2)	–	–	(2)
At 31 December 2022	160	732	356	981	2,229
<b>Net carrying amount</b>					
At 31 December 2022	–	5	–	6	11

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 9. Property, plant and equipment (Continued)

### (a) Depreciation of the property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts of the property, plant and equipment over their estimated useful life as follows:

Leasehold building	20 – 35 years
Leasehold improvements	10 – 35 years
Furniture, fittings and office equipment	3 – 10 years
Motor vehicles	6 years
Plant and machinery	6 – 10 years

### (b) Impairment testing on property, plant and equipment

As at the end of each reporting period, the Group carried out an impairment testing of the recoverable amount of its property, plant and equipment held by certain subsidiaries that were loss making. The identified subsidiaries were in the PCB drilling industry which were affected by unfavourable market conditions. Accordingly, management engaged an independent professional valuer to determine the recoverable amount of the Group's plant and machinery with a carrying amount of \$3,079,000 as at 31 December 2023 (2022: \$4,225,000) using the replacement cost method (2022: recent selling price for similar machines and made adjustments to the model, age and functionality of machines) as a proxy for fair value less costs of disposal ("FVLCD"). The approach considered costs that would have been required at the reporting date to replace the similar plant and machinery of comparable utility, adjusted for obsolescence encompasses physical deterioration and economic obsolescence.

The key assumptions used to determine the recoverable amount of the Group's plant and machinery include budgeted purchase costs and incidental costs to purchase the similar machinery and physical deterioration and economic obsolescence rate.

Arising from this assessment, the review led to an impairment loss of \$905,000 for plant and machinery (2022: \$125,000 for leasehold improvements) recognised in "Other expenses" line item of profit or loss for the financial year ended 31 December 2023. The resulting fair values of plant and machinery are considered level 3 of the fair value hierarchy. There is a change to the valuation techniques during the financial year as there is no available recent selling price of similar machines in financial year ended 31 December 2023.

### (c) Leasehold building

Details of the leasehold building held by the Group as at each reporting date are set out below:

Company	Location	Description	Area	Tenure
Jadason Electronics (Suzhou) Co., Ltd	Unit 42 Huoju Road, Suzhou New District, People's Republic of China	Leasehold factory and office buildings	Land 10,417m <sup>2</sup>	Lease term of 45.5 years from October 2004

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 10. Right-of-use assets – land use rights

	Group	
	2023 \$'000	2022 \$'000
<b>Cost</b>		
At 1 January	657	720
Currency translation adjustment	(25)	(63)
At 31 December	632	657
<b>Accumulated amortisation</b>		
At 1 January	302	313
Amortisation for the financial year	16	17
Currency translation adjustment	(12)	(28)
At 31 December	306	302
<b>Net carrying amount</b>		
At 31 December	326	355
Amount to be amortised:		
- Not later than one financial year	16	17
- Later than one financial year but not later than five financial years	64	68
- Later than five financial years	246	270

The Group has land use rights over a plot of state-owned land in The People's Republic of China ("PRC") where Jadason Electronics (Suzhou) Co., Ltd resides. The land use rights are amortised on a straight-line basis over the lease term of 45.5 years. The land use rights are transferable and have a remaining tenure of 26.5 years (2022: 27.5 years).

## 11. Leases

As a lessee, the Group has lease contracts for office, factory premises and office equipment.

Right-of-use assets are depreciated to profit or loss using the straight-line method over the lease term of office, factory premises and office equipment on the following bases:

Office and factory premises	2 to 7.67 years
Office equipment	5 years

The Group also has certain leases for office premises and office equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 11. Leases (Continued)

### (a) Right-of-use assets

Set out below are the carrying amounts of right-of-use assets and the movements during the financial years ended 31 December 2023 and 31 December 2022:

	Office and factory premises \$'000	Office equipment \$'000	Total \$'000
<b>Group</b>			
At 1 January 2023	3,860	14	3,874
Additions	180	–	180
Reclassified to finance lease receivables	(16)	–	(16)
Lease modification	(1,258)	–	(1,258)
Depreciation for the financial year	(1,075)	(3)	(1,078)
Impairment loss for the financial year	(1,418)	–	(1,418)
Currency translation adjustment	(77)	–	(77)
At 31 December 2023	196	11	207
At 1 January 2022	8,969	–	8,969
Additions	–	17	17
Lease modification	11	–	11
Lease termination	(2,144)	–	(2,144)
Depreciation for the financial year	(2,453)	(3)	(2,456)
Currency translation adjustment	(523)	–	(523)
At 31 December 2022	3,860	14	3,874
<b>Company</b>			
At 1 January 2023	223	14	237
Reclassified to finance lease receivables	(16)	–	(16)
Depreciation for the financial year	(158)	(3)	(161)
At 31 December 2023	49	11	60
At 1 January 2022	368	–	368
Additions	–	17	17
Lease modification	11	–	11
Depreciation for the financial year	(156)	(3)	(159)
At 31 December 2022	223	14	237



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 11. Leases (Continued)

### (a) Right-of-use assets (Continued)

As at 31 December 2023, due to poor demand for PCB drilling services in PRC, the Group had taken steps to scale down the PCB drilling operations and hence issued notice for early termination of the existing lease. The Group carried out an impairment testing of the recoverable amount of the right-of-used assets arising from this termination using the FVLCD method and impaired the carrying amount in full. An impairment loss on right-of-use assets of approximately \$1,418,000 was recognised in “other expenses” line item in the consolidated statement of comprehensive income.

### (b) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the financial years ended 31 December 2023 and 31 December 2022:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
At 1 January	4,683	10,617	252	387
Additions	180	17	–	17
Lease modification	(1,555)	11	–	11
Lease termination	–	(2,890)	–	(5)
Accretion of interest	204	508	9	17
Rent concession granted	(3)	(9)	–	–
Lease payments:				
- principal portion	(985)	(2,461)	(168)	(158)
- interest portion	(204)	(508)	(9)	(17)
Currency translation adjustment	(136)	(602)	–	–
At 31 December	2,184	4,683	84	252
Presented in statements of financial position:				
- current	1,374	1,090	74	168
- non-current	810	3,593	10	84
	2,184	4,683	84	252

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 11. Leases (Continued)

### (b) Lease liabilities (Continued)

The lease liabilities are denominated in the following currencies:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Singapore dollar	84	252	84	252
Renminbi	1,950	4,374	–	–
Hong Kong dollar	132	48	–	–
Others	18	9	–	–
	<u>2,184</u>	<u>4,683</u>	<u>84</u>	<u>252</u>

As at 31 December 2023, the Group's and the Company's average incremental borrowing rate were 4.28% and 5% (2022: 6.10% and 5%) respectively.

### (c) Total cash outflow

The Group had total cash outflows for leases of \$1,189,000 (2022: \$2,969,000) for the financial year ended 31 December 2023. The Group also had total cash outflows relating to short-term leases and low value leases of \$61,000 (2022: \$55,000). Non-cash additions to right-of-use assets and lease liabilities amounted to \$180,000 (2022: \$17,000) for the financial year ended 31 December 2023. There is no future cash outflow relating to leases that have not yet commenced.

### (d) Termination and extension options

The Group has several lease contracts that include termination and extension options. These options are negotiated by management to provide flexibility in managing the leased asset portfolio and align with the Group's business needs. During the financial year, a subsidiary exercised the termination option by giving 24 months' notice period to the landlord which resulted in the lease modification.

## 12. Investments in subsidiaries

	Company	
	2023 \$'000	2022 \$'000
Unquoted equity investments, at cost	57,211	57,211
Impairment loss on investment in subsidiaries	(45,203)	(41,884)
	<u>12,008</u>	<u>15,327</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 12. Investments in subsidiaries (Continued)

Movement in allowance for impairment loss was as follows:

	Company	
	2023 \$'000	2022 \$'000
Balance at beginning of financial year	41,884	40,930
Impairment loss for the financial year	3,319	954
Balance at end of financial year	45,203	41,884

Details of subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Proportion of ownership interest	
			2023 %	2022 %
<b>Held by the Company</b>				
Jadason Enterprises (HK) Limited <sup>(1)</sup>	Hong Kong	Distribution of equipment and supplies and provision of support services to the PCB industry.	100	100
Jadason Engineering Sdn Bhd <sup>(2)</sup>	Malaysia	Provision of resharpening services and distribution of supplies to the PCB industry.	100	100
Jadason Enterprises (Thailand) Limited <sup>(3)</sup>	Thailand	Installation of machines and provision of support services to the PCB industry.	100	100
Jadason Electronics (Suzhou) Co., Ltd <sup>(4),(6)</sup>	The People's Republic of China	Manufacturing, trading and provision of services to the PCB and industry.	100	100
Jadason Scientific (Shanghai) Co., Ltd <sup>(5),(8)</sup>	The People's Republic of China	Trading and distribution of equipment, supplies and materials to the PCB industry.	100	100
Jadason Enterprises (Japan) Limited <sup>(6)</sup>	Japan	Provision of sales support and procurement services.	100	100
Jadason PCB Materials (Dongguan) Ltd <sup>(7),(8)</sup>	The People's Republic of China	Dormant	100	100
Jadason Electronics (Dongguan) Ltd <sup>(7),(8)</sup>	The People's Republic of China	Dormant	100	100
Jadason Scientific (Dongguan) Ltd <sup>(7)</sup>	The People's Republic of China	Dormant	100	100

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 12. Investments in subsidiaries (Continued)

Details of subsidiaries are as follows: (Continued)

Name	Country of incorporation	Principal activities	Proportion of ownership interest	
			2023 %	2022 %
<b>Held by Jadason Enterprises (HK) Limited</b>				
Jadason Test Limited <sup>(9)</sup>	Hong Kong	Dormant	100	100
CymbolicTech Company Limited <sup>(9)</sup>	Hong Kong	Dormant	100	100
Jadason Microelectronics (Dongguan) Ltd <sup>(7),(8)</sup>	The People's Republic of China	Provision of drilling services to the PCB industry.	100	100
<b>Held by Jadason Test Limited</b>				
Jadason Test (Suzhou) Limited <sup>(6)</sup>	The People's Republic of China	Dormant	100	100

Notes:

<sup>(1)</sup> Audited by BDO Limited, Hong Kong

<sup>(2)</sup> Audited by SC Lim, Ng & Co., Malaysia

<sup>(3)</sup> Audited by KT&R Associate Partnership, Thailand

<sup>(4)</sup> Audited by Suzhou Lixin Certified Public Accountants Co., Ltd.

<sup>(5)</sup> Audited by Shanghai CLA Global TS Certified Public Accountants for statutory audit

<sup>(6)</sup> Not required to be audited by the law of country of incorporation

<sup>(7)</sup> Audited by Dongguan Peanal Certified Public Accountants Co., Ltd. for statutory audit

<sup>(8)</sup> Audited by BDO China Shu Lun Pan Certified Public Accountants LLP, a member firm of BDO International Limited for consolidation purposes

<sup>(9)</sup> Audited by CK Yau & Partners CPA Limited, Hong Kong

### *Impairment loss on investment in subsidiaries*

As at the end of the reporting period, the Company carried out an assessment on whether there are any indicators of impairment for its investment in subsidiaries based on the existing performance of subsidiaries.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 12. Investments in subsidiaries (Continued)

### *Impairment loss on investment in subsidiaries (Continued)*

Where there are indicators of impairment caused by unfavourable market conditions in the PCB industry, the management carried out impairment testing for the identified cash-generating units (“CGUs”). As at 31 December 2023, the recoverable amounts of the CGUs were based on the FVLCD method. The review led to an impairment loss of approximately \$3,319,000 (2022: \$954,000) in respect of the four CGUs (2022: three CGUs) during the financial year. The recoverable amounts of the CGUs with impairment losses are as follows:

		Recoverable amount attributable to the Company		Impairment loss	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
CGU A	Jadason Electronics (Dongguan) Ltd	1,838	3,287	1,449	537
CGU B	Jadason PCB Materials (Dongguan) Ltd	845	1,641	796	313
CGU C	Jadason Engineering Sdn Bhd	238	320	82	104
CGU D	Jadason Electronics (Suzhou) Co., Ltd	5,067	–	992	–

The FVLCD of the impaired subsidiaries were assessed to be their adjusted net assets which approximated their fair values. This fair value measurement is categorised as a Level 3 of the fair value hierarchy based on the inputs used.

### *Significant restrictions*

Cash and cash equivalents of \$5,644,000 (2022: \$7,444,000) held by subsidiaries in The People's Republic of China are subject to local exchange control regulations. These regulations place restrictions on exporting capital out of the country other than through dividends and trade related settlements, thus significantly affecting the Group's ability to access or use assets, and settle liabilities, of the Group.

## 13. Inventories

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Raw materials	39	836	–	–
Finished goods	626	608	437	211
	665	1,444	437	211

	Group	
	2023	2022
	\$'000	\$'000
Consolidated statement of comprehensive income:		
Inventories recognised as an expense in cost of sales inclusive of the following charge:	17,900	26,644
- Write-off of inventories	–	12
- Write-back of allowance for slow-moving inventories	(19)	(6)
- Allowance for slow-moving inventories	920	456

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. Inventories (Continued)

The write-back of allowance for slow-moving inventories was made as the related inventories were either utilised or sold above their carrying amounts.

The management estimates the net realisable value of inventories based on the latest market price and provides for slow moving and obsolete inventories based on historical demand and recent sales activities. However, factors beyond its control, such as demand levels and pricing competition, could change from period to period and affect the scalability and values of the inventories. Management reviews the Group's inventories in order to identify slow-moving and obsolete inventories. As at 31 December 2023, an allowance for slow-moving inventories of approximately \$920,000 (2022: \$456,000) was included in "cost of sales" line item in the consolidated statement of comprehensive income.

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a weighted average basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are recognised on a first in, first out basis.

## 14. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'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
Bills receivables	104	1,170	–	–
Non-trade amounts due from subsidiaries	–	–	2,801	2,943
Less: Allowance for expected credit losses on amount due from subsidiaries	–	–	(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 (Note 15)	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

Trade receivables are unsecured, non-interest bearing and generally on 30 to 90 days' terms. Included in trade receivables are unbilled sales amounting to \$52,000 (2022: \$393,000), which represents goods delivered to customers but not yet invoiced in the current financial year.

Bills receivables have an average maturity period of 60 to 180 days.

Non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand in cash.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 14. Trade and other receivables (Continued)

Advance payment to suppliers related to advance payments made to the suppliers for the purchase of machinery for the customers.

The movements in allowance for expected credit losses of trade receivables based on lifetime ECL are as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
At 1 January	438	495	30	30
Loss allowance during the financial year	134	–	–	–
Reversal of loss allowance during the financial year	(46)	–	–	–
Receivables written off as uncollectible	–	(57)	–	–
At 31 December	<u>526</u>	<u>438</u>	<u>30</u>	<u>30</u>

During the financial year, a loss allowance and reversal of loss allowance on trade receivables from third parties of approximately \$134,000 and \$46,000 were recognised in “selling and distribution expenses” line item respectively in the consolidated statement of comprehensive income.

In the previous financial year, trade receivables of \$57,000 were written off as there was no reasonable expectation of recovery.

The movements of the allowance for expected credit losses on amounts due from subsidiaries are as follows:

	Company	
	2023 \$'000	2022 \$'000
At 1 January	2,921	3,393
Receivables written off as uncollectible	–	(190)
Loss allowance reversed during the financial year	(3)	(76)
Currency translation adjustment	(140)	(206)
At 31 December	<u>2,778</u>	<u>2,921</u>

During the financial year, reversal of loss allowance of \$3,000 (2022: \$76,000) was recognised subsequent to debt recovery.

In the previous financial year, amount due from a subsidiary of \$190,000 was written off against the loss allowance previously made as it was not probable that the balance will be recoverable in the foreseeable future.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 14. Trade and other receivables (Continued)

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Singapore dollar	376	309	399	300
United States dollar	4,528	4,320	1,827	1,250
Japanese yen	40	209	9	80
Renminbi	1,734	3,503	–	–
Others	240	381	7	3
	<u>6,918</u>	<u>8,722</u>	<u>2,242</u>	<u>1,633</u>

## 15. Cash and cash equivalents

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash at banks and on hand	7,575	9,181	398	168
Bank deposits	1,911	2,284	–	–
	<u>9,486</u>	<u>11,465</u>	<u>398</u>	<u>168</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.001% to 1.00% (2022: 0.001% to 1.40%) per annum.

Bank deposits with financial institutions earn interest at 5.00% (2022:4.10% to 4.20%) per annum with tenure of less than one month.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 15. Cash and cash equivalents (Continued)

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Singapore dollar	73	76	73	76
United States dollar	2,218	2,916	87	34
Japanese yen	996	422	236	6
Euro	343	178	2	6
Renminbi	5,623	7,419	–	–
Others	233	454	–	46
	<u>9,486</u>	<u>11,465</u>	<u>398</u>	<u>168</u>

## 16. Trade and other payables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade payables				
- third parties	8,925	7,640	2,694	1,622
- subsidiaries	–	–	160	329
Advances from customers	1,452	1,572	43	299
Non-trade amounts due to subsidiaries	–	–	8,959	8,135
Other payables	874	1,017	23	6
Deposit received	7	–	7	–
Accrued operating expenses	1,006	1,376	539	427
Total trade and other payables	<u>12,264</u>	<u>11,605</u>	<u>12,425</u>	<u>10,818</u>
Add:				
Lease liabilities (Note 11(b))	2,184	4,683	84	252
Bank borrowings (Note 17)	947	1,442	947	1,442
Less:				
Advances from customers	(1,452)	(1,572)	(43)	(299)
Financial liabilities carried at amortised cost	<u>13,943</u>	<u>16,158</u>	<u>13,413</u>	<u>12,213</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 16. Trade and other payables (Continued)

Trade payables are unsecured, non-interest bearing and are normally settled on 60 days' credit terms.

Non-trade amounts due to subsidiaries are unsecured, interest-free, repayable on demand and to be settled in cash.

Advances from customers relate to cash deposit received in advance from customers before delivery of goods.

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Singapore dollar	612	451	1,560	1,396
United States dollar	7,137	7,090	9,010	7,318
Japanese yen	991	426	529	576
Hong Kong dollar	191	63	1,156	1,178
Renminbi	3,104	3,334	–	50
Others	229	241	170	300
	12,264	11,605	12,425	10,818

## 17. Bank borrowings

	Group and Company	
	2023 \$'000	2022 \$'000
<b>Current</b>		
Term loan (unsecured)	510	495
<b>Non-current</b>		
Term loan (unsecured)	437	947
	947	1,442

The Group and the Company had drawn down the term loan amounting to \$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 values of the Group's 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 18. Provision

Group	Costs of reinstatement \$'000	Long service payment \$'000	Staff retrenchment cost \$'000	Total \$'000
<b>2023</b>				
At 1 January	–	161	–	161
Provisions made	612	–	451	1,063
Currency translation adjustment	–	(4)	–	(4)
At 31 December	612	157	451	1,220
Presented in statements of financial position:				
- current	612	–	451	1,063
- non-current	–	157	–	157
	612	157	451	1,220
<b>2022</b>				
At 1 January and 31 December	–	161	–	161
Presented in statements of financial position:				
- current	–	–	–	–
- non-current	–	161	–	161
	–	161	–	161

Provision for costs of reinstatement are the estimated costs of dismantlement, removal or restoration of leased property to their original conditions.

Provision for long service payment for eligible employees of subsidiaries has been made in the financial statements pursuant to the requirements under the Employment Ordinance in Hong Kong.

Provision for staff retrenchment cost are the estimated compensation cost payable to the employees upon retrenchment due to the scaling down of PCB drilling operations.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 19. Share capital and treasury shares

### (a) Share capital

	Group and Company			
	2023		2022	
	Number of shares '000	\$'000	Number of shares '000	\$'000
Issued and fully paid:				
Balance at beginning and end of 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 carry one vote per share without restrictions. The ordinary shares have no par value.

### (b) Treasury shares

	Group and Company			
	2023		2022	
	Number of shares '000	\$'000	Number of shares '000	\$'000
Balance at beginning and end of financial year	3,670	307	3,670	307

Treasury shares relate to ordinary shares of the Company that are held by the Company.

## 20. Reserves

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Foreign currency translation account	(3,814)	(3,495)	–	(77)
Reserve and enterprise expansion funds	5,711	5,711	–	–
Accumulated losses	(47,444)	(39,472)	(48,161)	(44,701)
	(45,547)	(37,256)	(48,161)	(44,778)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 20. Reserves (Continued)

### (a) Foreign currency translation account

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
At 1 January	(3,495)	(2,206)	(77)	(92)
Exchange differences on translating foreign operations	(396)	(1,289)	–	15
Translation reserve transferred to profit or loss upon liquidation of foreign branch	77	–	77	–
At 31 December	<u>(3,814)</u>	<u>(3,495)</u>	<u>–</u>	<u>(77)</u>

The foreign currency translation account represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's and the Company's presentation currency.

### (b) Reserve and enterprise expansion funds

	Group	
	2023 \$'000	2022 \$'000
At 1 January and 31 December	<u>5,711</u>	<u>5,711</u>

Under the accounting principles and relevant financial regulations of The People's Republic of China ("PRC"), certain subsidiaries are required to set aside a reserve fund and an enterprise expansion fund ("Reserve and Enterprise Expansion Funds") by way of appropriations from their profits. The appropriations to these funds are determined by the subsidiaries' Board of Directors and must be made before distribution of dividends. The relevant PRC subsidiaries have to appropriate at least 10% of their net profit after taxation determined according to their statutory financial statements to the reserve fund and enterprise expansion fund until the funds reach 50% of their registered capital. These funds are not distributable in the form of cash dividends. Utilisation of funds is governed and restricted by the relevant PRC laws and regulations.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 21. Significant related party transactions

For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, the following were significant related party transactions at rates and terms agreed between the Group and the Company with their related parties during the financial year:

	Company	
	2023 \$'000	2022 \$'000
Purchase of goods from subsidiaries	4	10
Sales of goods to subsidiaries	–	4
Advances from a subsidiary	1,017	1,171
Purchase of plant and machinery from a subsidiary	–	6

The outstanding balances as at 31 December 2023 and 2022 in respect of the above transactions with related parties are disclosed in Notes 14 and 16 to the financial statements. There are no outstanding balances with key management personnel.

Key management personnel are Directors of the Company, Directors of the subsidiaries and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly and indirectly.

The remuneration of Directors and other key management personnel of the Group and the Company during the financial years ended 31 December 2023 and 31 December 2022 were as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Short-term employment benefits	886	1,006	584	492
Defined contribution plans	35	35	30	29
	921	1,041	614	521
Comprise amounts paid to:				
Directors	439	663	132	143
Other key management personnel	482	378	482	378
	921	1,041	614	521

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 22. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker.

Management considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in these primary geographic areas: The People's Republic of China (including Hong Kong), Singapore and other countries. These locations are engaged in the distribution of equipment and supplies and manufacturing and support services.

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 provision of equipment and supplies to the printed circuit board ("PCB") industry.

- Manufacturing and support services

Manufacturing and support services includes the provision of equipment after-sales support and services and PCB drilling services services in China.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group's reportable segments are strategic business units that are organised based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

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 which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices, if any, between operating segments are in a manner similar to transactions with third parties.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 22. Segment information (Continued)

There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense excluding non-recurring gains and losses and foreign exchange gains and losses.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

	Equipment and supplies \$'000	Manufacturing and support services \$'000	Total \$'000
<b>2023</b>			
<b>Revenue</b>			
- External sales	18,833	3,091	21,924
Total	<u>18,833</u>	<u>3,091</u>	<u>21,924</u>
<b>Results</b>			
Adjusted EBITDA*	(933)	(2,567)	(3,500)
Interest income	57	96	153
Gain on lease modification	–	297	297
Depreciation of property, plant and equipment	(11)	(103)	(114)
Depreciation of right-of-use assets	(163)	(915)	(1,078)
Amortisation of right-of-use assets - land use rights	–	(16)	(16)
Impairment loss on property, plant and equipment	–	(905)	(905)
Impairment loss on right-of-use assets	–	(1,418)	(1,418)
Provision for staff retrenchment cost	–	(451)	(451)
Provision for reinstatement cost	–	(612)	(612)
Loss allowance for trade receivables	(78)	(56)	(134)
Reversal of loss allowance for trade receivables	30	16	46
Operating loss	<u>(1,098)</u>	<u>(6,634)</u>	<u>(7,732)</u>
Interest expense	(33)	(206)	(239)
Loss before income tax	<u>(1,131)</u>	<u>(6,840)</u>	<u>(7,971)</u>
Income tax expense	(1)	–	(1)
Loss for the financial year	<u>(1,132)</u>	<u>(6,840)</u>	<u>(7,972)</u>
<b>Assets/Liabilities</b>			
Segment assets	11,873	9,471	21,344
Segment liabilities	<u>8,578</u>	<u>8,423</u>	<u>17,001</u>
<b>Other segment information</b>			
Purchase of property, plant and equipment	2	–	2
Addition of right-of-use assets	156	24	180
Other non-cash items:			
Write-back of allowance for slow-moving inventories	(2)	(17)	(19)
Allowance for slow-moving inventories	<u>–</u>	<u>920</u>	<u>920</u>



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 22. Segment information (Continued)

	Equipment and supplies \$'000	Manufacturing and support services \$'000	Total \$'000
<b>2022</b>			
<b>Revenue</b>			
- External sales	26,501	5,650	32,151
Total	26,501	5,650	32,151
<b>Results</b>			
Adjusted EBITDA*	(897)	(2,757)	(3,654)
Interest income	35	77	112
Depreciation of property, plant and equipment	(14)	(209)	(223)
Depreciation of right-of-use assets	(163)	(2,293)	(2,456)
Amortisation of right-of-use assets - land use rights	-	(17)	(17)
Impairment loss on property, plant and equipment	-	(125)	(125)
Operating loss	(1,039)	(5,324)	(6,363)
Interest expense	(60)	(516)	(576)
Loss before income tax	(1,099)	(5,840)	(6,939)
Income tax expense	(1)	(6)	(7)
Loss for the financial year	(1,100)	(5,846)	(6,946)
<b>Assets/Liabilities</b>			
Segment assets	10,983	19,942	30,925
Segment liabilities	10,632	7,659	18,291
<b>Other segment information</b>			
Purchase of property, plant and equipment	7	1	8
Addition of right-of-use assets	17	-	17
Other non-cash items:			
Write-back of allowance for slow-moving inventories	(6)	-	(6)
Write-off of inventories	-	12	12
Allowance for slow-moving inventories	-	456	456

\* EBITDA - Earnings before interest, taxation, depreciation and amortisation.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 22. Segment information (Continued)

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Singapore	10,325	8,010	68	248
The People's Republic of China including Hong Kong	9,713	21,863	4,034	8,876
Others	1,886	2,278	94	40
	<u>21,924</u>	<u>32,151</u>	<u>4,196</u>	<u>9,164</u>

Non-current assets information presented above consist of property, plant and equipment, land use rights and right-of-use assets as presented in the consolidated statement of financial position.

Revenue of \$12,946,000 (2022: \$23,166,000) are derived from two (2022: three) major external customers which contributed revenue amounting more than 10% of the Group's revenue. These revenues are attributable to equipment and supplies segment and manufacturing and support services segment of \$12,213,000 and \$733,000 (2022: \$21,651,000 and \$1,515,000) respectively.

## 23. Financial instruments, financial risks and capital management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the respective heads of subsidiaries, Chief Executive Officer and Chief Financial Officer. The audit committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

There has been no change to the Group's and the Company's exposures to these financial risks or the manner in which they manage and measure the risks.

### 23.1 Credit risk

Credit risks refer to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group and the Company perform ongoing credit evaluation of its counterparties' financial condition and generally do not require collaterals. Customers are also assessed based on their historical payment records. Where necessary, customers may be requested to provide advance payments before goods are delivered.

The carrying amounts of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's and the Company's maximum exposure to credit risks. The Group and the Company do not hold any collateral.

The Group's and the Company's major classes of financial assets are trade and other receivables (excluding advance payment to suppliers) and cash and cash equivalents.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 23. Financial instruments, financial risks and capital management (Continued)

### 23.1 Credit risk (Continued)

There is no change in the estimation techniques used in assessing loss allowance during the financial year.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group determines that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

The Group's and the Company's financial assets measured at amortised cost comprise trade and other receivables (excluding advance payment to suppliers) and cash and cash equivalents in the statements of financial position.

#### Cash and cash equivalents

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The Group and the Company had cash and cash equivalents of \$9,486,000 and \$398,000 (2022: \$11,465,000 and \$168,000) respectively as at 31 December 2023. The cash and cash equivalents are held with banks and financial institutions with average to high credit rating. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group and the Company consider that their cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

#### Trade receivables

##### *Significant estimates on expected credit loss*

The Group and the Company provide for lifetime expected credit losses for all trade receivables. The provision rates are determined based on the Group's and the Company's historical observed default rates analysed in accordance with days past due by grouping of customers based on geographical region. The expected credit losses below incorporate forward looking information such as future economic conditions and customers' country credit rating.

Summarised below is the information about the credit risk exposure on the Group's and Company's trade receivables using provision matrix, grouped by geographical region:

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 23. Financial instruments, financial risks and capital management (Continued)

### 23.1 Credit risk (Continued)

Trade receivables (Continued)

#### Group

*The People's Republic of China including Hong Kong:*

	Current \$'000	More than 30 days past due \$'000	More than 60 days past due \$'000	More than 90 days past due \$'000	More than 180 days past due \$'000	Total \$'000
<b>31 December 2023</b>						
Gross carrying amount	703	1,009	250	98	2,783	4,843
Allowance for expected credit losses	(34)	(48)	(12)	(5)	(124)	(223)
Credit impaired	–	–	–	–	(157)	(157)
	<u>669</u>	<u>961</u>	<u>238</u>	<u>93</u>	<u>2,502</u>	<u>4,463</u>
<b>31 December 2022</b>						
Gross carrying amount	5,170	402	32	105	68	5,777
Allowance for expected credit losses	(270)	(21)	(2)	(6)	–	(299)
Credit impaired	–	–	–	–	(59)	(59)
	<u>4,900</u>	<u>381</u>	<u>30</u>	<u>99</u>	<u>9</u>	<u>5,419</u>

*Singapore and other geographical areas:*

	Current \$'000	More than 30 days past due \$'000	More than 60 days past due \$'000	More than 90 days past due \$'000	More than 180 days past due \$'000	Total \$'000
<b>31 December 2023</b>						
Gross carrying amount	1,871	190	22	186	–	2,269
Allowance for expected credit losses	(101)	(20)	(3)	(15)	–	(139)
Credit impaired	–	–	–	(7)	–	(7)
	<u>1,770</u>	<u>170</u>	<u>19</u>	<u>164</u>	<u>–</u>	<u>2,123</u>
<b>31 December 2022</b>						
Gross carrying amount	1,330	150	26	3	23	1,532
Allowance for expected credit losses	(70)	(8)	(1)	–	(1)	(80)
	<u>1,260</u>	<u>142</u>	<u>25</u>	<u>3</u>	<u>22</u>	<u>1,452</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 23. Financial instruments, financial risks and capital management (Continued)

### 23.1 Credit risk (Continued)

Trade receivables (Continued)

#### Company

*Singapore and other geographical areas:*

	Current \$'000	More than 30 days past due \$'000	More than 60 days past due \$'000	More than 90 days past due \$'000	More than 180 days past due \$'000	Total \$'000
<b>31 December 2023</b>						
Gross carrying amount	1,817	183	19	170	–	2,189
Allowance for expected credit losses	(11)	(11)	(2)	(6)	–	(30)
	<u>1,806</u>	<u>172</u>	<u>17</u>	<u>164</u>	<u>–</u>	<u>2,159</u>
<b>31 December 2022</b>						
Gross carrying amount	1,253	146	23	3	29	1,454
Allowance for expected credit losses	(11)	(11)	(2)	–	(6)	(30)
	<u>1,242</u>	<u>135</u>	<u>21</u>	<u>3</u>	<u>23</u>	<u>1,424</u>

Movement in allowance for expected credit losses for trade receivables are disclosed in Note 14 to the financial statements.

#### Bills receivables

There is no allowance for expected credit losses arising from the Group's bills receivables of \$104,000 (2022: \$1,170,000) as at 31 December 2023 as there is no recent history of default and are held with banks and financial institutions with average to high credit rating.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 23. Financial instruments, financial risks and capital management (Continued)

### 23.1 Credit risk (Continued)

#### Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2023		2022	
	\$'000	% of total	\$'000	% of total
<b>By country</b>				
Singapore	1,966	30%	1,335	19%
The People's Republic of China including Hong Kong	4,461	68%	5,419	79%
Malaysia	70	1%	72	1%
Other countries	89	1%	45	1%
	6,586	100%	6,871	100%
<b>By industry sector profile</b>				
Equipment and supplies	4,788	73%	5,362	78%
Manufacturing and support services	1,798	27%	1,509	22%
	6,586	100%	6,871	100%

As at the end of the reporting period, 82% (2022: 76%) of the Group's trade receivables were due from three (2022: three) major customer groups who are located in China, Hong Kong and Singapore. 90% (2022: 73%) of the Company's trade receivables were due from one customer.

### 23.2 Liquidity risk

Liquidity risks refer to the risks in which the Group and the Company encounter difficulties in meeting their short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group and the Company actively manage their operating cash flows so as to ensure that all payment needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash to meet their working capital requirements.

The Group monitors its operating cash flows and finances its operations using a combination of borrowings and internal working capital. Adequate credit lines are maintained to ensure that necessary liquidity is available when required.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 23. Financial instruments, financial risks and capital management (Continued)

### 23.2 Liquidity risk (Continued)

#### *Contractual maturity analysis*

The following tables detail the Group's and the Company's remaining contractual maturity for their non-derivative financial instruments. The tables have been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company are expected to pay.

	Within one financial year \$'000	After one financial year but within five financial years \$'000	Total \$'000
<b>Group</b>			
<b>31 December 2023</b>			
<b>Financial liabilities</b>			
Trade and other payables	10,812	–	10,812
Lease liabilities	1,429	823	2,252
Bank borrowings	531	442	973
Total undiscounted financial liabilities	<u>12,772</u>	<u>1,265</u>	<u>14,037</u>
<b>31 December 2022</b>			
<b>Financial liabilities</b>			
Trade and other payables	10,033	–	10,033
Lease liabilities	1,346	3,974	5,320
Bank borrowings	531	974	1,505
Total undiscounted financial liabilities	<u>11,910</u>	<u>4,948</u>	<u>16,858</u>
<b>Company</b>			
<b>31 December 2023</b>			
<b>Financial liabilities</b>			
Trade and other payables	12,382	–	12,382
Lease liabilities	76	11	87
Bank borrowings	531	442	973
Total undiscounted financial liabilities	<u>12,989</u>	<u>453</u>	<u>13,442</u>
<b>31 December 2022</b>			
<b>Financial liabilities</b>			
Trade and other payables	10,519	–	10,519
Lease liabilities	177	87	264
Bank borrowings	531	974	1,505
Total undiscounted financial liabilities	<u>11,227</u>	<u>1,061</u>	<u>12,288</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 23. Financial instruments, financial risks and capital management (Continued)

### 23.3 Foreign currency risk

Currency risk arises from transactions denominated in currencies other than the functional currencies of the entities within the Group and the Company. The currencies that give rise to this risk are primarily United States dollar and Japanese yen.

The Group and the Company monitor their foreign currency exchange risks closely and maintain funds in various currencies to minimise currency exposure due to timing differences between sales and purchases. Currency translation risk arises when commercial transactions, recognised assets and liabilities and net investment in foreign operations are denominated in a currency that is not the entity's functional currency.

It is not the Group's and the Company's policy to take speculative positions in foreign currencies.

#### *Foreign currency sensitivity analysis*

The Group's and the Company's exposure to foreign currency risk is mainly in United States dollar and Japanese yen, as disclosed in the respective notes to financial statements.

The carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the functional currency of the entities within the Group are as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Monetary assets</b>				
United States dollar	6,748	6,941	1,914	1,211
Japanese yen	972	467	245	10
<b>Monetary liabilities</b>				
United States dollar	6,412	5,817	9,010	7,318
Japanese yen	308	115	529	576



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 23. Financial instruments, financial risks and capital management (Continued)

### 23.3 Foreign currency risk (Continued)

#### *Foreign currency sensitivity analysis (Continued)*

The following table details the Group's and Company's sensitivity to a 2% and 9% (2022: 4% and 13%) change in United States dollar and Japanese yen against the functional currencies respectively. The sensitivity analysis assumes an instantaneous 2% and 9% (2022: 4% and 13%) change in the foreign currency exchange rates from the end of the financial year, with all other variables held constant. The results of the model are also constrained by the fact that only monetary items are included in the analysis.

	Loss after tax	
	2023 \$'000	2022 \$'000
<b>Group</b>		
<b>United States dollar</b>		
- Strengthens against functional currencies*	7	45
- Weakens against functional currencies*	(7)	(45)
<b>Japanese yen</b>		
- Strengthens against functional currencies#	60	46
- Weakens against functional currencies#	(60)	(46)
<b>Company</b>		
<b>United States dollar</b>		
- Strengthens against Singapore dollar	(142)	(244)
- Weakens against Singapore dollar	142	244
<b>Japanese yen</b>		
- Strengthens against Singapore dollar	(25)	(35)
- Weakens against Singapore dollar	25	35

\* Primarily Singapore dollar and Hong Kong dollar

# Primarily Hong Kong dollar

### 23.4 Capital management

The Group and the Company manage capital to ensure that the Group and the Company are able to continue as a going concern and maintain an optimal capital structure so as to maximise shareholders' value.

The Group and the Company manage their capital structure which consist of equity attributable to owners of the Company, comprising issued share capital, treasury shares and reserves as disclosed in Notes 19 and 20 to the financial statements and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2023 and 31 December 2022.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 23. Financial instruments, financial risks and capital management (Continued)

### 23.4 Capital management (Continued)

The Group and the Company are not subject to any externally imposed capital requirements for the financial years ended 31 December 2023 and 31 December 2022, except for the below.

As disclosed in Note 20(b) to the financial statements, certain subsidiaries of the Group are required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiaries for the financial years ended 31 December 2023 and 31 December 2022.

## 24. Fair value of financial instruments

The Group and the Company categorised fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used in making the measurements as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - unobservable inputs for the asset or liability.

The classification of an item into above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfer of items between levels are recognised in the period they occur.

The carrying amounts of the Group's and the Company's financial assets and financial liabilities approximate their respective fair values as at the end of the reporting period due to the relative short-term maturities of these financial instruments, except as disclosed in Note 17 to the financial statements.

## 25. Events after the reporting period

The ongoing trade tensions between the United States of America and PRC, geo-political tensions and the re-alignment of supply chain is expected to continue adversely impact the PCB drilling business in PRC. Hence on 28 February 2024, the Group decided to take steps to progressively cease its PCB drilling business operations in PRC.

# STATISTICS OF SHAREHOLDINGS

As at 22 March 2024

<b>CLASS OF SHARES</b>	:	<b>ORDINARY SHARES</b>
Voting rights	:	One vote per share
Number of ordinary shares (excluding treasury shares)	:	722,395,000

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	0	0.00	0	0.00
100 - 1,000	495	15.78	483,500	0.07
1,001 - 10,000	971	30.95	5,735,300	0.79
10,001 - 1,000,000	1,628	51.90	188,446,289	26.09
1,000,001 and above	43	1.37	527,729,911	73.05
<b>Total</b>	<b>3,137</b>	<b>100.00</b>	<b>722,395,000</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

No.	Name	Number of Shares	%
1.	CITIBANK NOMINEES SINGAPORE PTE LTD	238,136,000	32.96
2.	DBS NOMINEES (PRIVATE) LIMITED	73,232,700	10.14
3.	LIAW HIN HAO	66,300,000	9.18
4.	FUNG CHI WAI	32,700,000	4.53
5.	YEO SENG BUCK	10,000,000	1.38
6.	CHUA KENG HIANG	8,500,000	1.18
7.	HUI MIN LINNA	8,380,000	1.16
8.	MAYBANK SECURITIES PTE. LTD.	7,397,900	1.02
9.	PHILLIP SECURITIES PTE LTD	6,304,800	0.87
10.	TAN ENG CHUA EDWIN	5,506,100	0.76
11.	XAYABOUOSOU KHONESAVANE	4,889,000	0.68
12.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	4,360,700	0.60
13.	OCBC SECURITIES PRIVATE LIMITED	4,041,011	0.56
14.	UNION TOOL CO.	4,000,000	0.55
15.	LIM TIONG CHUAN	3,610,100	0.50
16.	HSBC (SINGAPORE) NOMINEES PTE LTD	3,510,100	0.49
17.	IFAST FINANCIAL PTE. LTD.	3,081,800	0.43
18.	RAFFLES NOMINEES (PTE.) LIMITED	2,882,800	0.40
19.	LIEW SEUK ENG	2,537,700	0.35
20.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	2,509,100	0.35
	<b>TOTAL</b>	<b>491,879,811</b>	<b>68.09</b>

# STATISTICS OF SHAREHOLDINGS

As at 22 March 2024

## SUBSTANTIAL SHAREHOLDERS

Name	Direct interest	Deemed interest	Total interest	%
Queeny Ho	–	236,000,000*	236,000,000	32.67%
Liaw Hin Hao	66,300,000	–	66,300,000	9.18%

\* In the name of nominees

## PUBLIC SHAREHOLDINGS

Based on information available to the Company as at 22 March 2024, approximately 51.29% of the issued ordinary shares of the Company was held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

## ORDINARY SHARES HELD IN TREASURY (“TREASURY SHARES”) AND SUBSIDIARY HOLDINGS

Voting rights: None

Number of Treasury Shares: 3,670,000 Treasury Shares

Number of Subsidiary Holdings: Nil

Percentage of this holding against total number of issued shares excluding treasury shares: 0.51%

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“AGM”) of Jadason Enterprises Ltd (the “Company”) will be held at Room 332, Level 3, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, on Friday, 26 April 2024 at 2.00 p.m., to transact the following business:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Auditors’ Report thereon. **(Resolution 1)**

2. To re-elect Ms Linna Hui Min as Director of the Company retiring pursuant to Regulation 89 of the Constitution of the Company.

Ms Linna Hui Min will, upon her re-election as Director of the Company, remain as the Executive Director and will be considered non-independent. Please refer to the “Additional Information on Directors Seeking Re-election” section of the Annual Report FY2023 for the detailed information required pursuant to Rule 720(6) of the Listing Manual of Singapore Exchange Securities Trading Limited (“SGX-ST”). **(Resolution 2)**

3. To re-elect Mr Chua Keng Hiang as Director of the Company retiring pursuant to Regulation 89 of the Constitution of the Company.

Mr Chua Keng Hiang will, upon his re-election as Director of the Company, be re-designated as Non-Independent and Non-Executive Director, and will retire as the Chairman of the Audit Committee and a member of the Nominating Committee. He will remain as a member of the Audit Committee and Remuneration Committee and will be considered non-independent. Please refer to the “Additional Information on Directors Seeking Re-election” section of the Annual Report FY2023 for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST. **(Resolution 3)**

4. To re-elect Mr Tan Seng Chun as Director of the Company retiring pursuant to Regulation 88 of the Constitution of the Company.

Mr Tan Seng Chun will, upon his re-election as Director of the Company, remain as Independent and Non-Executive Director, a member of the Audit Committee, Nominating Committee and Remuneration Committee and will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to the “Additional Information on Directors Seeking Re-election” section of the Annual Report FY2023 for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST. **(Resolution 4)**

5. To re-appoint Messrs BDO LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**

6. To transact any other ordinary business which may properly be transacted at an AGM.

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Payment of Directors’ fees**

To approve the payment of Directors’ fees of S\$150,000 for the financial year ended 31 December 2023 (previous year: S\$150,000). **(Resolution 6)**

[See Explanatory Note (i)]

# NOTICE OF ANNUAL GENERAL MEETING

## 8. Authority to issue shares

That pursuant to Section 161 of the Companies Act 1967 of the Republic of Singapore and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant to any Instruments made or granted by the Directors of the Company while this Resolution was in force,

(the “**Share Issue Mandate**”)

provided that:

- (1) the aggregate number of shares (including shares to be issued pursuant to the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the total number of issued shares and instruments shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
  - (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
  - (c) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustment in accordance with sub-paragraphs (2)(a) or (2)(b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of passing of the Share Issue Mandate.

- (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

# NOTICE OF ANNUAL GENERAL MEETING

- (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

**(Resolution 7)**

[See Explanatory Note (ii)]

## 9. Renewal of Share Buyback Mandate

That for the purposes of Sections 76C and 76E of the Companies Act 1967 of the Republic of Singapore, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as ascertained as at the date of AGM of the Company) at the price of up to but not exceeding the Maximum Price as defined in the appendix “Renewal of Share Buyback Mandate” attached to this Notice of AGM (“**Appendix**”), in accordance with the “Terms of the Share Buyback Mandate” set out in the Appendix and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

**(Resolution 8)**

[See Explanatory Note (iii)]

By Order of the Board

Eve Khor Ley Cheng  
Company Secretary

Singapore, 11 April 2024

### Explanatory Notes:

- (i) The Company is seeking approval from the shareholders to approve the payment of Directors’ fees of S\$150,000 to Non-Executive Directors in accordance with the Constitution of the Company as a special business.
- (ii) Ordinary Resolution 7 proposed in item 8 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to twenty per centum (20%) may be issued other than on a pro-rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

- (iii) Ordinary Resolution 8 proposed in item 9 above, if passed, will empower the Directors of the Company effective until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the Maximum Price as defined in the Appendix. The rationale for the authority and limitation on the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial accounts of the Group for the financial year ended 31 December 2023 are set out in greater detail in the Appendix.

# NOTICE OF ANNUAL GENERAL MEETING

## Notes:

1. The members of the Company are invited to attend physically at the AGM. There will be no option for shareholders to participate virtually.
2. Printed copies of this Notice of AGM, Proxy Form and a Request Form (to request for printed copies of the Annual Report FY2023 and/or the appendix to this Notice of AGM - Appendix) ("**Request Form**") will be sent to members via postal mail. The Notice of AGM, Appendix, Proxy Form, Annual Report FY2023 and Request Form will be published on the Company's website at the URL [www.jadason.com](http://www.jadason.com) and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Shareholders who wish to receive a printed copy of the Annual Report FY2023 and/or the Appendix are required to complete the Request Form and return it to us by post at 3 Kaki Bukit Crescent, #03-01 Singapore 416237 or by email to [lr@jadason.com](mailto:lr@jadason.com), no later than 19 April 2024.
3. A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the appointment shall be invalid unless the proportion of the shareholding concerned to be represented by each proxy is specified in the instrument. A proxy need not be a member of the Company.
4. A member who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing proxy(ies) appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument. Where a relevant intermediary appoints more than two (2) proxies, separate proxy forms should be used.
5. "**Relevant intermediary**" has the meaning ascribed to it in Section 181(6) of the Companies Act 1967 of the Republic of Singapore.
6. The duly executed instrument appointing a proxy must be sent in the following manner:
  - (a) if sent personally or by post, to the Registered Office of the Company at 3 Kaki Bukit Crescent, #03-01 Singapore 416237 and attention to the Company Secretary; or
  - (b) if submitted via email, be sent as a clearly readable image at [lr@jadason.com](mailto:lr@jadason.com),in either case, no later than 2.00 p.m. on 24 April 2024, and in default the Proxy Form shall not be treated as valid.
7. The instrument appointing a proxy must be signed by the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. A copy of the power of attorney or such other authority must be submitted together with the instrument appointing a proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject a Proxy Form which is invalid, incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form.
9. Persons who hold shares through relevant intermediaries (as defined in Section 181(6) of the Companies Act 1967), including CPF and SRS investors, and who wish to participate in the AGM should contact the relevant intermediary (which would include, in the case of CPF and SRS investors inform their respective CPF Agent Banks and SRS Operators) through which they hold such shares and to submit their votes as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.
10. Shareholders may submit questions in relation to the proposed resolutions tabled for approval at the AGM to the Company in advance via email at [lr@jadason.com](mailto:lr@jadason.com) or by post to the Registered Office of the Company at 3 Kaki Bukit Crescent, #03-01 Singapore 416237 and attention to the Company Secretary, in either case, no later than 2.00 p.m. on 17 April 2024. Please provide your full name as per CDP/CPF/SRS/Scrip-based account records, NRIC/Passport No./Company Registration No., contact number, address, email address and number of shares held during submission for verification purpose. Alternatively, shareholders may also pose such questions during the AGM.
11. For questions submitted in advance of the AGM, the Company will endeavour to address the questions which are substantial and relevant to the agenda of the AGM prior to the AGM and will post its responses on the Company's website at the URL [www.jadason.com](http://www.jadason.com) and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> by 19 April 2024.
12. The Company will publish the minutes of the AGM on SGXNET and the Company's website within one month after the date of the AGM.



# NOTICE OF ANNUAL GENERAL MEETING

**Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxy(ies) and representative(s) appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance list, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Ms Linna Hui Min, Mr Chua Keng Hiang and Mr Tan Seng Chun are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 26 April 2024 (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

Name of Director	Linna Hui Min	Chua Keng Hiang	Tan Seng Chun
Date of Appointment	26 March 2007	16 June 2000	1 March 2024
Date of last re-appointment	28 April 2022	30 April 2021	–
Age	67	69	56
Country of principal residence	Hong Kong	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Board of Directors of the Company has considered the recommendation of the Nominating Committee and has reviewed and considered the skill, experience, knowledge and suitability of Ms Linna Hui Min for re-appointment as Executive Director of the Company.</p> <p>The Board has concluded that Ms Hui Min possesses the skill, experience and knowledge to manage the operations effectively.</p>	<p>The Board of Directors of the Company has considered the recommendation of the Nominating Committee and has reviewed and considered the skill, experience, contribution of guidance and time to the Board’s deliberation and suitability of Mr Chua Keng Hiang for re-appointment as Non-Independent Non-Executive Director of the Company.</p> <p>The Board has concluded that Mr Chua possesses the skill, experience and knowledge to make constructive contributions to Board discussions.</p>	<p>The Board of Directors of the Company has considered the recommendation of the Nominating Committee and has reviewed and considered the qualifications, experience and expertise of Mr Tan Seng Chun for re-appointment as Independent Non-Executive Director of the Company.</p> <p>Mr Tan will be attending the requisite training courses prescribed in the Listing Manual of the SGX-ST within one year from 1 March 2024, being the date of his initial appointment to the Board.</p> <p>The Board has concluded that Mr Tan possesses the qualifications, experience and expertise, and his re-appointment is appropriate.</p>

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Linna Hui Min	Chua Keng Hiang	Tan Seng Chun
Whether appointment is executive, and if so, the area of responsibility	Executive  General Manager of Jadason Enterprises (HK) Limited  Responsible for the daily operations and marketing activities in Hong Kong and China.	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> <li>● Executive Director</li> </ul>	<ul style="list-style-type: none"> <li>● Lead Independent Non-Executive Director</li> <li>● Chairman of Audit Committee</li> <li>● Member of Nominating Committee</li> <li>● Member of Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>● Independent Non-Executive Director</li> <li>● Member of Audit Committee</li> <li>● Member of Nominating Committee</li> <li>● Member of Remuneration Committee</li> </ul>
Professional Qualifications	<ul style="list-style-type: none"> <li>● Bachelor of Science (Chemical Engineering)</li> </ul>	<ul style="list-style-type: none"> <li>● Bachelor of Accountancy (Honours)</li> <li>● ACCA</li> <li>● Practising member of Institute of Singapore Chartered Accountants</li> <li>● Fellow member of Association of Chartered Certified Accountants (UK)</li> </ul>	<ul style="list-style-type: none"> <li>● Bachelor of Accountancy</li> <li>● Member of Institute of Singapore Chartered Accountants</li> <li>● Member of Singapore Institute of Directors</li> </ul>
Working experience and occupation(s) during the past 10 years	Has experience in marketing, application and technical support.  General Manager of Jadason Enterprises (HK) Limited.	Has more than 40 years of experience in the field of public accounting, corporate finance and management.  Practicing Accountant and Partner of KK Chua & Co.	Has more than 25 years of experience in the field of financial management, corporate governance, and strategic planning.  Founder of Bing Services Pte Ltd.
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 8,380,000  See also pages 35 and 89.	Direct interest: 8,500,000  See also pages 35 and 89.	None

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Linna Hui Min	Chua Keng Hiang	Tan Seng Chun
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Conflict of Interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments Including Directorships  Past (for the last 5 years):  Present:	Nil  Director of: ● Jadason Enterprises Ltd	Director of: ● Memtech International Ltd ● Ocean Sky International Limited  Director of: ● Jadason Enterprises Ltd ● CF Consulting Pte Ltd ● Abacus Equity Pte Ltd  Partner of: ● KK Chua & Co	Director of: ● Banking Computer Services Private Limited ● NETS Solutions Pte Ltd  Director of: ● Jadason Enterprises Ltd ● Bing Services Pte Ltd ● Sunnergy International Ltd
<b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</b>			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Linna Hui Min	Chua Keng Hiang	Tan Seng Chun
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Linna Hui Min	Chua Keng Hiang	Tan Seng Chun
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Linna Hui Min	Chua Keng Hiang	Tan Seng Chun
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	<p>Yes</p> <p>In 1996, whilst involved in the management of a company in China, there was an investigation on the company pertaining to import related matters. No charges were brought against the company as the incident was caused by the misrepresentations of the company's import agent.</p>	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Linna Hui Min	Chua Keng Hiang	Tan Seng Chun
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
<b>Disclosure applicable to the appointment of Director only</b>			
<p>Any prior experience as a director of an issuer listed on the Exchange?</p> <p>If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	Not applicable.	Not applicable.	Not applicable.



# JADASON ENTERPRISES LTD

Company Registration No. 199003898K  
(Incorporated in the Republic of Singapore)

## IMPORTANT:

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF Agent Banks and/or SRS Operators to appoint the proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. Relevant intermediaries as defined in Section 181 of the Companies Act 1967 may appoint more than two (2) proxies to attend, speak and vote at the Meeting.

## PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport No.)

of \_\_\_\_\_ (Address)

being a member/members of Jadason Enterprises Ltd (the "Company"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

\*and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her\*, the Chairman of the Meeting as my/our\* proxy/proxies\* to attend and vote for me/us\* on my/our\* behalf at the Meeting of the Company to be held at Room 332, Level 3, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, on Friday, 26 April 2024 at 2.00 p.m., and at any adjournment thereof.

I/We\* direct my/our\* proxy/proxies\* to vote for, against or to abstain from voting on the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies\* will vote or abstain from voting at his/her/their\* discretion, as he/she/they\* will on any other matter arising at the AGM and at any adjournment thereof. In appointing the Chairman of the Meeting as proxy, Shareholders (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

No.	Resolutions relating to:	No. of votes 'For'	No. of votes 'Against'	No. of votes 'Abstain'
1	To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2023			
2	To re-elect Ms Linna Hui Min as Director			
3	To re-elect Mr Chua Keng Hiang as Director			
4	To re-elect Mr Tan Seng Chun as Director			
5	To re-appoint Messrs BDO LLP as the Auditors of the Company and authorisation for Directors to fix their remuneration			
6	Approval of Directors' fees amounting to S\$150,000			
7	Authority to issue Shares			
8	Renewal of Share Buyback Mandate			

\* If you wish to exercise all your votes "FOR", "AGAINST" or "ABSTAIN", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Total Number of Ordinary Shares Held:

--

\_\_\_\_\_  
Signature of Shareholder(s)  
or Common Seal of Corporate Shareholder

\*Delete where inapplicable

**IMPORTANT: PLEASE READ THE NOTES ON THE REVERSE PAGE**



**Notes:**

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of the Laws of the Republic of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary\*), entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. A member shall specify the proportion of his/her/its shareholding to be represented by each proxy in the instrument appointing the proxies, failing which the nomination shall be deemed to be alternative. A proxy need not be a member of the Company.
3. A Relevant Intermediary may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her (which number or class of shares shall be specified).
4. Subject to note 8, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The instrument appointing the proxy or proxies must be deposited at the Registered Office of the Company at 3 Kaki Bukit Crescent, #03-01 Singapore 416237 by mail or email to [lr@jadason.com](mailto:lr@jadason.com) no later than 2.00 p.m. on 24 April 2024, being forty-eight (48) hours, before the time appointed for the Meeting, and in default the instrument of proxy shall not be treated as valid.
6. The instrument appointing the proxy or proxies must be signed by the appointor or his/her attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its seal or signed on its behalf by an officer, attorney or other person duly authorised. Where an instrument appointing the proxy or proxies is signed on behalf of the appointor by his/her attorney, the power of attorney or other authority or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
8. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) and wishes to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 April 2024.

**General:**

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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\* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 of the Laws of the Republic of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of the Laws of the Republic of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of the Laws of the Republic of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.



**Jadason Enterprises Ltd**

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