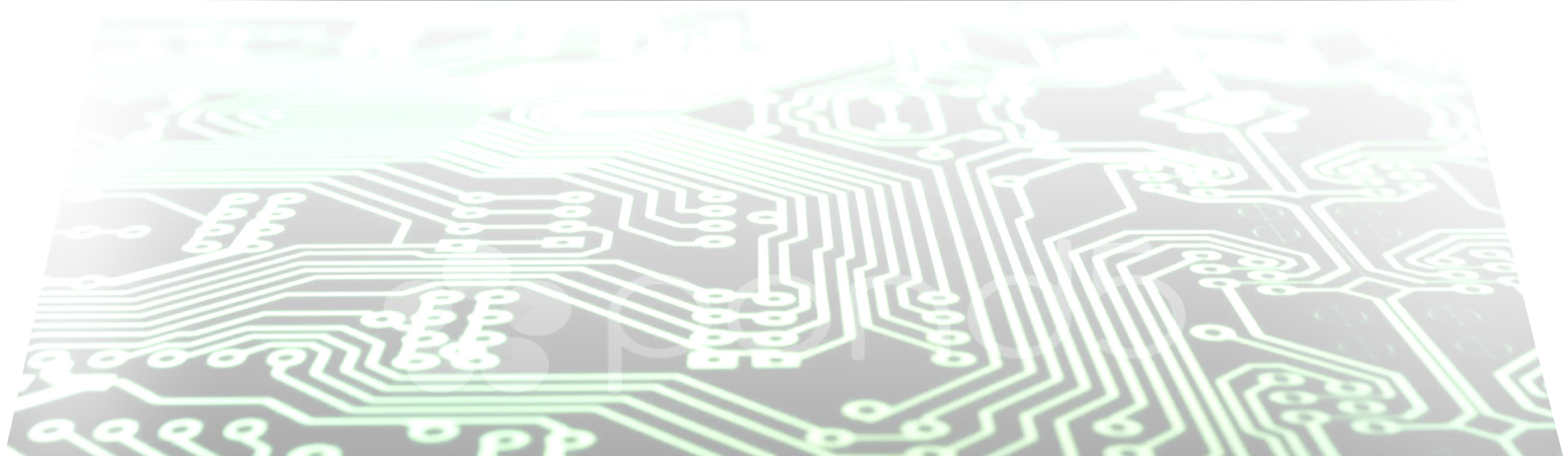




Jadason Enterprises Ltd

Sustainability Report 2017



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1. About this Report

Jadason Enterprises Ltd reaffirms our commitment to sustainability with the publication of our first standalone Sustainability Report 2017.

This is a complementary report to our Annual Report, which focuses on our material sustainability issues that were deemed as an impact caused by our everyday activities.

1.1 Reporting Standard

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. We have not sought for external assurance for this reporting period and will consider it when our reporting matures over time.

1.2 Reporting Scope and Period

Our sustainability report covers our relevant data, strategies and practices, and a detailed account of our sustainability performance in Dongguan, China.

This report is based on Jadason Enterprises' financial year from 1st January 2017 to 31st December 2017 and will be published annually.

As this is our first standalone Sustainability Report, there is no restatement of information in this report with very limited historical information.

1.3 Report Accessibility

In line with our efforts to be more environmental friendly, there will not be any printing of this report. This report will be made available to download in SGX announcement portal of Jadason Enterprises.

1.4 Feedback

We welcome your comments and feedbacks on our sustainability report and you can reach us at info-sing@jadason.com.

2. Message from the Group CEO



Fung Chi Wai

Group Chief Executive Officer

Dear Stakeholders,

We are pleased to present Jadason Enterprises' first annual Sustainability Report, subscribing to the Global Reporting Initiative (GRI) Standards, in accordance with the Core option.

In this report, we focus on our factories in Dongguan, China as they generate the highest revenue in the Group and have the widest material impact on sustainability issues. We undertook a comprehensive materiality analysis on the operation of the factories in Dongguan, China and identified the materiality issues that are deemed as important to our business and our stakeholders.

The materiality issues that were identified from the material topic on corporate governance, environmental, economic, and social can be found in this report.

Both of our factories in Dongguan, China focus on our "Manufacturing and Support Services" segment. They rely greatly on energy, water and material usage in their daily operation. We are well aware that what we do will have an impact on the environment.

We had integrated our sustainability practices into our business process in both factories. We will continue to monitor and improve on our sustainability practices to reduce the overall environmental impact that we had created.

We strive to drive for continuous operational excellence without compromising on the environment.

Fung Chi Wai

Group Chief Executive Officer



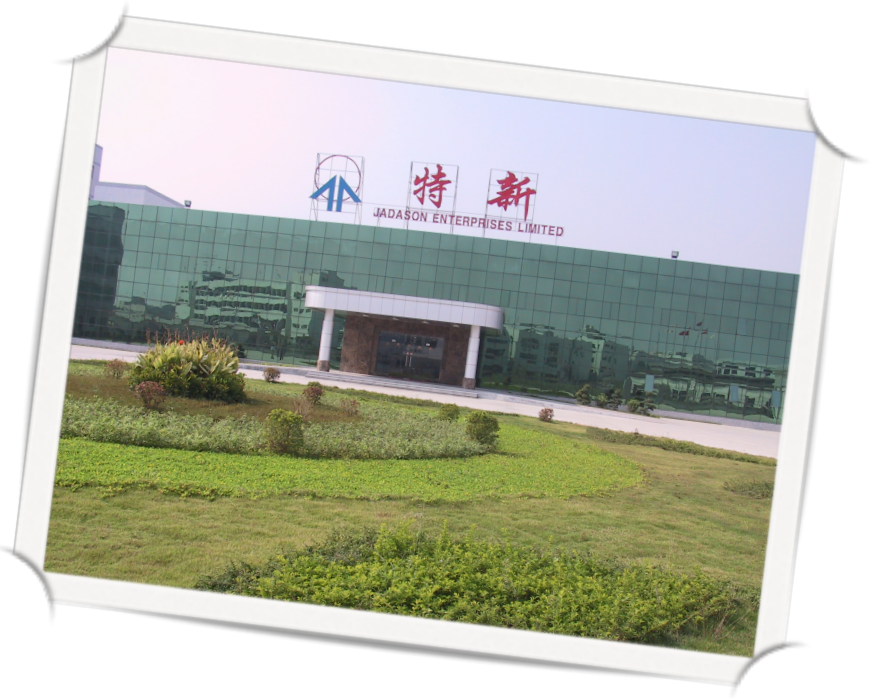
3. About Jadason Enterprises

Jadason Enterprises Ltd and its subsidiaries (the “Group”) started its business in 1980 and has grown to become a leading supplier of equipment and supplies to the printed circuit board (“PCB”) industry in Asia.

The Group has an extensive network in Asia covering China, Hong Kong, Japan, Malaysia, Singapore, Taiwan and Thailand, providing equipment and supplies, support on equipment sales, PCB drilling services and mass lamination services.

Jadason Enterprises is listed in the Singapore Exchange Securities Trading Limited (the “SGX-ST”), with Singapore being the registered headquarter.

We subscribe to the standards and guidelines of SGX-ST, Monetary Authority of Singapore (“MAS”), ISO 9001:2015, ISO 14001:2015 and GRI standards.



3.1 Principle Business

The core business identified for Jadason Enterprises are “Equipment and Supplies” and “Manufacturing and Support Services”.

3.1.1 Equipment and Supplies

Jadason Enterprises supplies a wide range of equipment and supplies for the PCB industry such as CNC machines, laser drilling machines, laser plotter and wet processing machine, drill bits, dry films and laminates.

The Group’s distribution is conducted through an extensive network span in Asia covering China, Hong Kong, Japan, Singapore, Taiwan and Thailand.

Jadason Enterprises also fabricate some of the equipment used in the PCB manufacturing process.

3.1.2 Manufacturing and Support Services

To support on equipment sales and to better service its customers, Jadason Enterprises has an extensive support network which covers all the locations where it has marketing presence.

Jadason Enterprises provides PCB drilling services in Suzhou and Dongguan to meet the outsourcing needs of the PCB manufacturers operating in China.

Through a subsidiary in Dongguan, the Group provides mass lamination services which complements on the PCB drilling service, providing a “one-stop” shop to meet customer’s needs.

3.2 Corporate Governance

Jadason Enterprises' Board of Directors (the "Board") and Managements are committed to maintaining a high stand of corporate governance so as to ensure the Group's activities are carried out in the best interest of its shareholders.

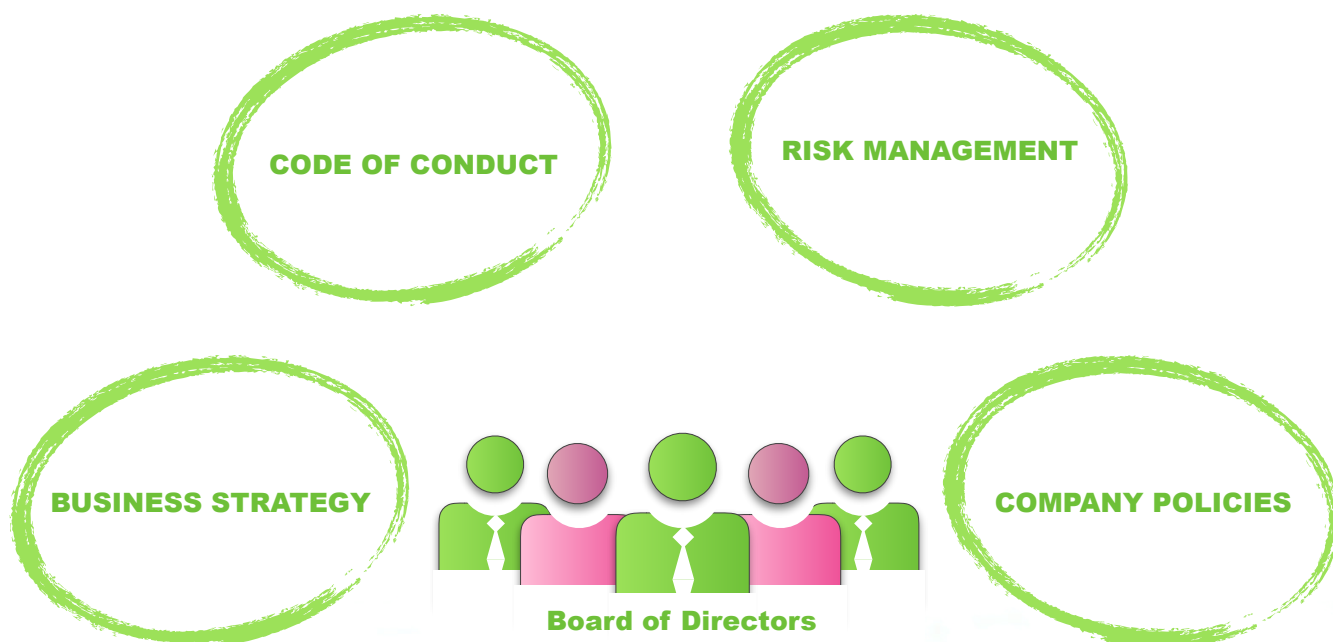
Jadason Enterprises has generally adhered to the principles and guidelines of the Code of Corporate Governance 2012 (the "Code") issued by the MAS in 2012.

Jadason Enterprises is committed to maintaining a high standard of corporate governance, in terms of business and ethical conduct, risk management process and company policies.

The Board is the highest governance body of Jadason Enterprises that provides an oversight of the Group's activities and performance and is responsible for setting the corporate strategy and business direction of the Group.

The Board has established committees, namely, the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"), to assist in the execution of its responsibilities. These committees operate within clearly defined terms of reference and the effectiveness of each committee is reviewed on regular basis.

Full details of the Corporate Governance for Jadason Enterprises can be found from Jadason Enterprises Annual Report 2017 page 17 to 28.





3.2.1 Risk

Management

The Board acknowledges its responsibility for its internal control and overall risk management system. The Board oversees Management in the formulation, update

and maintenance of an adequate and effective risk management framework.

The risk management framework established by the Group covers the identification, assessment, monitoring and management of significant risks affecting the Group.

The AC, together with the Board and Chief Financial Officer (“CFO”), reviewed the effectiveness of the Group’s internal control and risk management systems.

3.2.2 Operational Practices

3.2.2.1 Code of Conduct

The principles and guidelines of the Code provide a guidance on the Code of Conduct for the employees in Jadason Enterprises.

All employees are required to act with high standards of business integrity, to comply with local regulations where we operate globally, and to ensure that our business standards are not compromised.

3.2.2.2 Dealing in Securities

The Group observes the best practices on dealing in securities as recommended in the Listing Manual of the SGX-ST and has issued a policy to the Directors and officers to set out the guidance on dealings in the securities of the Company.

3.2.2.3 Whistle-blowing Policy

Jadason Enterprises has established whistle-blowing policy which allows individual a confidential channel to report on any suspected improper, unethical or inappropriate conduct within the organisation.

The policy with information on the proper reporting channels had been distributed to all employees in Jadason Enterprises.

3.3 Supply Chain

Jadason Enterprises has a broad range of suppliers across the world with majority situated in China. The Group’s main suppliers are categorised according to our business segment “Equipment and Suppliers” and “Manufacturing and Support Services”.

The Group has a comprehensive process to work with our suppliers in a fair and ethical manner to procure equipments and raw materials that comply with our technical specifications.

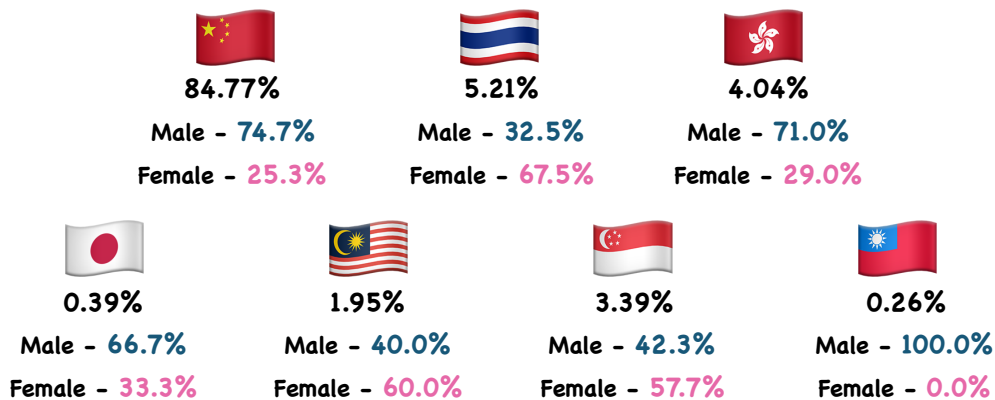


3.4 Our People

Our people are the most valuable assets we have in Jadason Enterprises. Our people contributed endlessly to provide high and reliable quality and good services to our customers. Without their effort, we will not be where we are today.

Jadason Enterprises has recorded its total workforce to be slightly above 760 employees in 2017. Majority of our employees recorded are in China, follow by Thailand and Hong Kong.

Distribution of Employees by Countries



Total Employees by Gender

= Male - **70.6%** ; Female - **29.4%**

Permanent Contract Employees

= **95.83%**
Male - **70.0%** ; Female - **30.0%**

Jadason Enterprises' Board of Directors by gender



4. Sustainability Approach

4.1 Boundary Setting

The management had decided to set the factories in Dongguan, China, which concentrate on PCB drilling and mass lamination services, as the reporting boundary of its first standalone Sustainability Report.

The decision was based on the fact that Dongguan, China had accounted for the highest revenue in the Group and has the widest material impact on the sustainability issues.



4.2 Stakeholders' Engagement

We engaged with our stakeholders regularly, to assess on their interest and the potential impact on our business.

We identified our key stakeholders and how we engaged with them as shown in the table below:

KEY STAKEHOLDER	FORMS OF ENGAGEMENT
Shareholders & Investors	<ul style="list-style-type: none"> •Annual General Meeting (AGM) •Results release on quarterly and annually earnings •Any other special announcements will be released to SGXNET
Customers	<ul style="list-style-type: none"> •Point-of-sales •Direct electronic mail communication •Hotline
Suppliers	<ul style="list-style-type: none"> •Electronic mail communication •Bilateral communication
Employees	<ul style="list-style-type: none"> •Seminars and training sessions •Staff bonding sessions •Meetings •Electronic mail communication

4.3 Materiality Assessment

This is Jadason Enterprises' first standalone Sustainability Report, we undertook a comprehensive materiality analysis to identify and prioritise on the sustainability issues that were deemed important to our business practice and our stakeholders.

From the material topics on Corporate Governance, Economic, Environmental, and Social, we identified the materiality issues for our business operation in Dongguan, China are as shown on the table beside.

These identified material issues were first presented to the Board for their validation.

4.3.1 Economic

Performance

The economic performance and financial contribution of Jadason Enterprises had been tabulated and published in Jadason Enterprises Annual Report 2017.

The Group Financial Highlights and Operating Review can be found on page 4 to 10, while the Financial Statement can be found on page 38 to 92.

Materiality Issues	
Corporate Governance	<ul style="list-style-type: none"> - Compliance - Risk Management - Operational Practices
Economic	<ul style="list-style-type: none"> - Economic Performance - Anti-corruption
Environmental	<ul style="list-style-type: none"> - Material & Waste - Energy Consumption - Water Usage
Social	<ul style="list-style-type: none"> - Employee Engagement - Occupational Health & Safety - Training & Education - Diversity & Equal Opportunity - Child Labor

4.3.2 Anti-corruption

Jadason Enterprises does not tolerate corruption in any part of its business.

Jadason Enterprises had a standard procedure to manage and monitor its internal resource flow. The Group had strengthen its supervision in each department to identify the possibilities of corruption.

4.3.3 Child Labour

In Jadason Enterprises, we comply with the labour laws on wages, working hours, child labour and minimum employment age, of the countries that we operate in.

5. Reaching Out to Sustainability in Dongguan, China



In order to meet the outsourcing needs of PCB manufacturers operating in China, we provide a “one-stop” service, in Dongguan, China specialising in PCB, FPC drilling, laser drilling, PCB contour machining, drill pointing and PCB inner later mass lamination.

These two factories in Dongguan, China, focusing on the “Manufacturing and Support Services” segment, rely greatly on energy, water and materials for their daily operation and are accounted for the majority usage in the Group. We are well aware

that with such usage, it will cause a great impact to the environment in a long run. This will in turn affect on the sustainability of our business as a group.

In Dongguan, China, we have more than 500 employees being recorded for in 2017. With the shortage of manpower, especially in skilled workers, we look into ways to provide a more conducive environment for our employees. We understand that the shortage of manpower may affect on the growth potential of this business segment.



5.1 Environmental

Jadason Enterprises aims to continuously drive operational excellence without compromising on the environment.

In Dongguan, China, we manage the impact of our business operation to the environment by integrating our sustainability practices into our business process. Despite only one factory in Dongguan, China is governed by ISO 14001 guidelines on environmental management system, we strive to minimise the environmental impact on the operation for the other factory in Dongguan, China.

In 2017, we have 2 new suppliers that underwent screening based on environmental criteria for Dongguan, China factories.

5.1.1 Materials & Waste

Our business operation in Dongguan, China requires high usage of materials procured from China.

These materials used in Dongguan, China are categorised under “raw material”, “associated process material”, and “materials for packaging”.

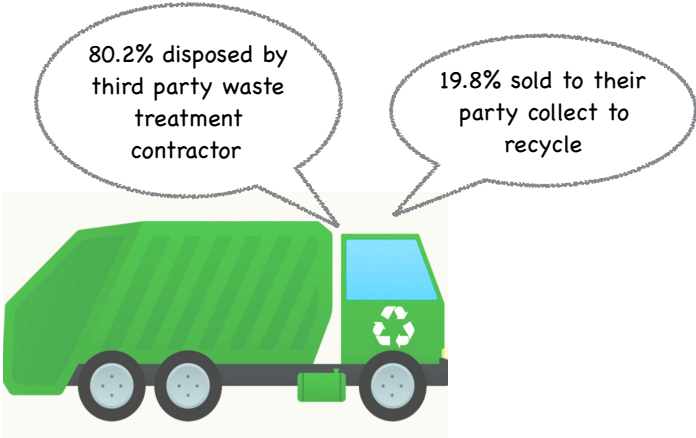
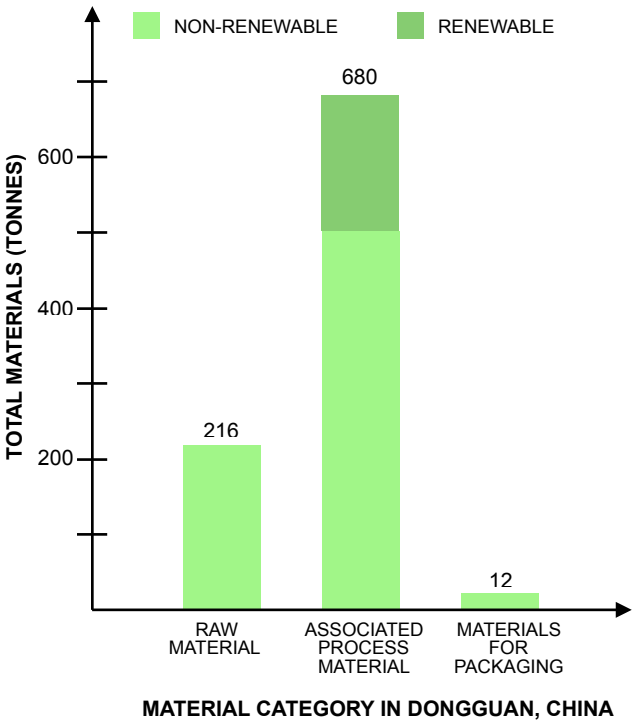
We understand that the usage on materials in our business operation in Dongguan, China will inevitably create an impact to the environment. We aim to minimise the impact on the environment without having to produce sub quality product. We fully utilise our materials before disposing them.



The waste materials are stored and categorised in an easily understandable manner before disposal. All our waste materials are being disposed according to China regulatory requirement.

We engaged in licensed and certified third party waste treatment contractor in Dongguan, China for the collection and disposal of our waste material.

For renewable materials as identified were being stored separately after being fully utilised. They are then being sold to a third party collector in Dongguan, China to recycle the materials.



5.1.2 Energy Consumption

Our business operation in Dongguan, China generally work around machineries and equipments on daily basis. This in turn results in a substantially high consumption of electric energy.

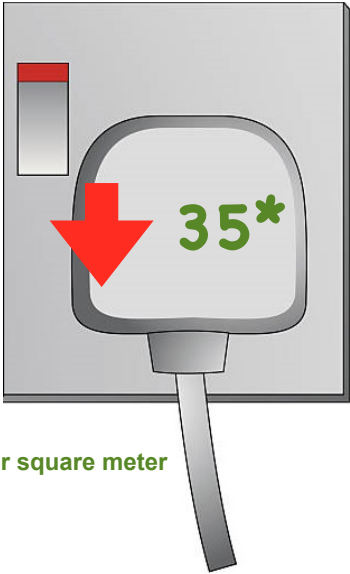
In Dongguan, China, we purchase our electric energy from municipal electric supplier situated in China. The municipal electric supplier arranged for periodical check for recording and billing on the electric usage from the electric meter.

We are well aware that the high consumption of electric energy in Dongguan, China will create impact on the environment and our business in a long run. We are determined to play our part in reducing our electrical consumption.

With our determination to achieve our energy reduction target, we drew up an energy reduction plan for our factories in Dongguan, China..

ENERGY REDUCTION PLAN
PROMOTE AND UPGRADE ON INDUSTRIAL STRUCTURE TRANSFORMATION
ADJUST AND OPTIMISE ENERGY STRUCTURE
PROMOTE INDUSTRIAL AND BUILDING ENERGY RETROFIT
PROMOTE INNOVATIVE ENERGY CONSERVATION IN TRANSPORTATION
PROMOTE EQUIPMENT RETROFIT
LAUNCH ONLINE ENERGY DEMONSTRATION PROJECT
PROMOTE ENERGY SAVING AND CARBON FREE LIFESTYLE
CULTIVATE ENERGY CONSERVATION AND ENVIRONMENTAL PROTECTION

Year
2017
Usage



* kilo watt per hour per square meter

We subscribe to the Five-Year Plan for Dongguan Province, China on energy saving. The plan calls for a total reduction of 19.3% energy consumption per unit of GDP in the five years, averaging to an approximate of 4.2% of annual energy consumption reduction.



We archive the target for energy reduction for 2017 with the energy consumption down from 42 kilo watt per hour per square meter in 2016 to 35 kilo watt per hour per square meter in 2017.

5.1.3 Water Usage

In Dongguan, China, we use a substantially high amount of water for our business operation, being using in our operation process and periodical machinery upkeep and maintenance.

We have two source of water supply in China, one of the source is to purchase from municipal water supplier in Dongguan, China, while the other source is from our own water recycle plant.

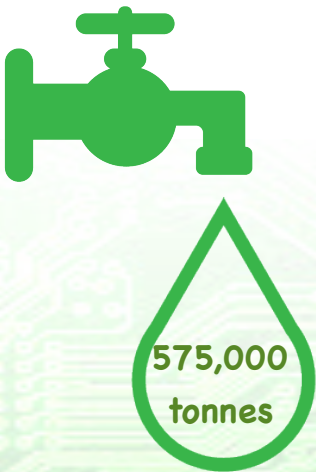
Our water recycling and reusing standard is based on PCB industrial water standard which is relevant to our business operation in Dongguan, China.



In Dongguan, China, an estimation of 335,000 tonnes of water was withdrawn from municipal water supplier, while the balance of 240,000 tonnes of water was withdrawn from our water recycling plant.

Tabulating to 58.3% and 41.7% respectively.

Year 2017
Total Water Usage



5.2 Our People in Dongguan, China

In Dongguan, China, we employed at least 500 employees for our business operation.

Our employees play their part to contribute to the continual growth of Jadason Enterprises. The shortage of skilled worker in Dongguan, China may in turns affect the growth of our business in this segment.

We work towards to providing a happy and engaging workforce for our employees throughout their employment with us. We believe that having a happy and engaged workforce will ultimately translate to happy and satisfied customers.

In a long run, this may in turn promote the growth of our business in this segment.



5.2.1 Diversification

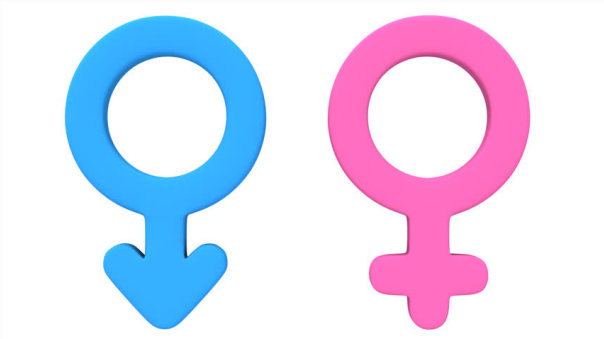
The Group values each and every employees despite on their age, gender, religion and position.

Our business in Dongguan, China is traditionally male-dominated due to the nature of the work being more physical demanding.

The Group provide equal opportunities to all employees in Dongguan, China. We do not discriminate any employees on the basis of age and gender. In our employee recruitment, we hire on the basis of value and competency on the job instead of age and gender.

A diversified group of employees working and learning together can bring growth to the organization. The younger employees tend to be energetic and ingenuity, while the older employees tend to be mature and reliable, bringing a wealth of experience with them.

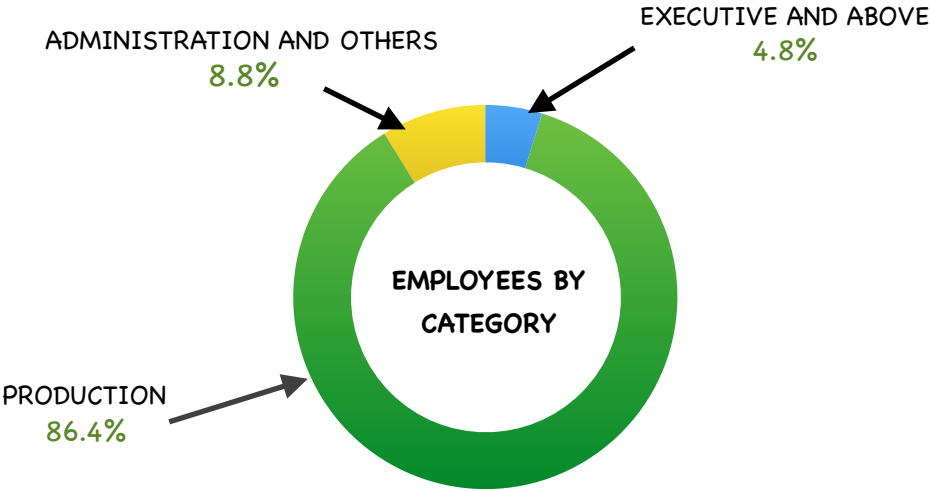
EMPLOYEES BY GENDER



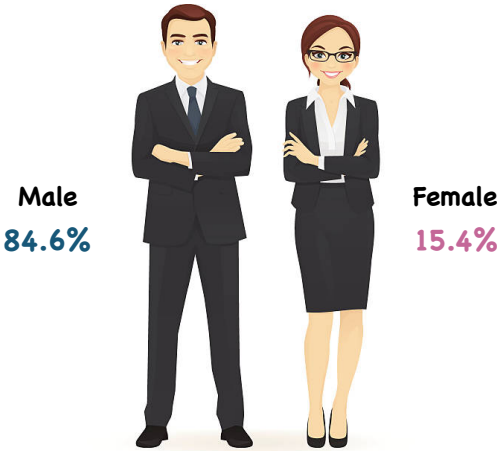
Male
74.3%

Female
25.7%

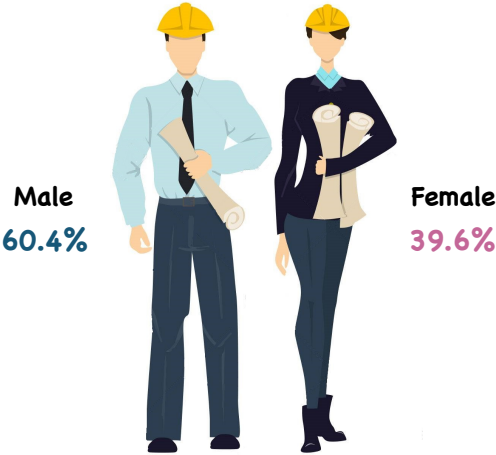
Our People in Dongguan, China



EXECUTIVE AND ABOVE BY GENDER



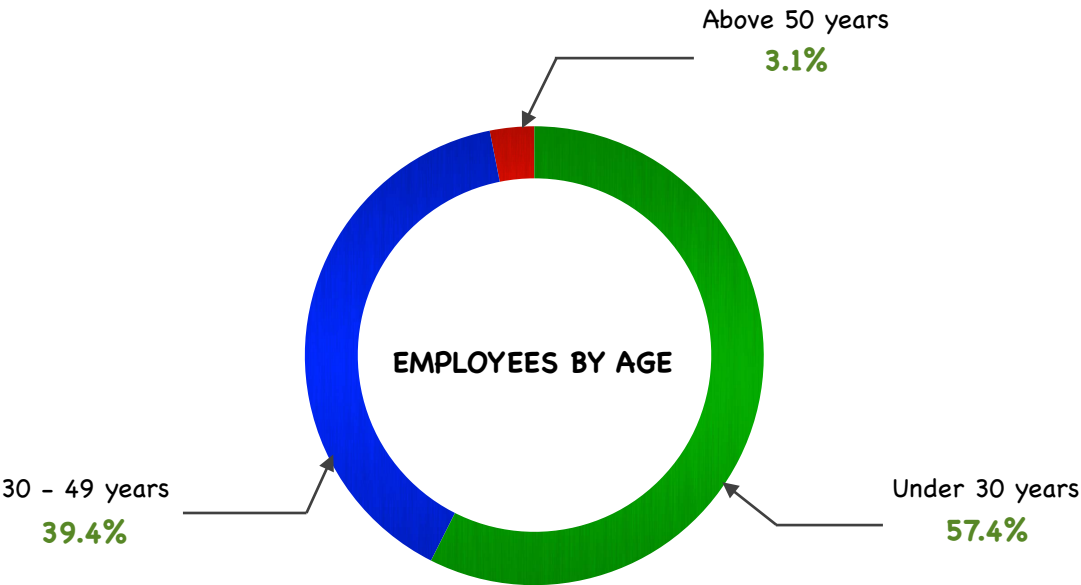
ADMINISTRATION AND OTHERS BY GENDER



PRODUCTION BY GENDER



Our People in Dongguan, China



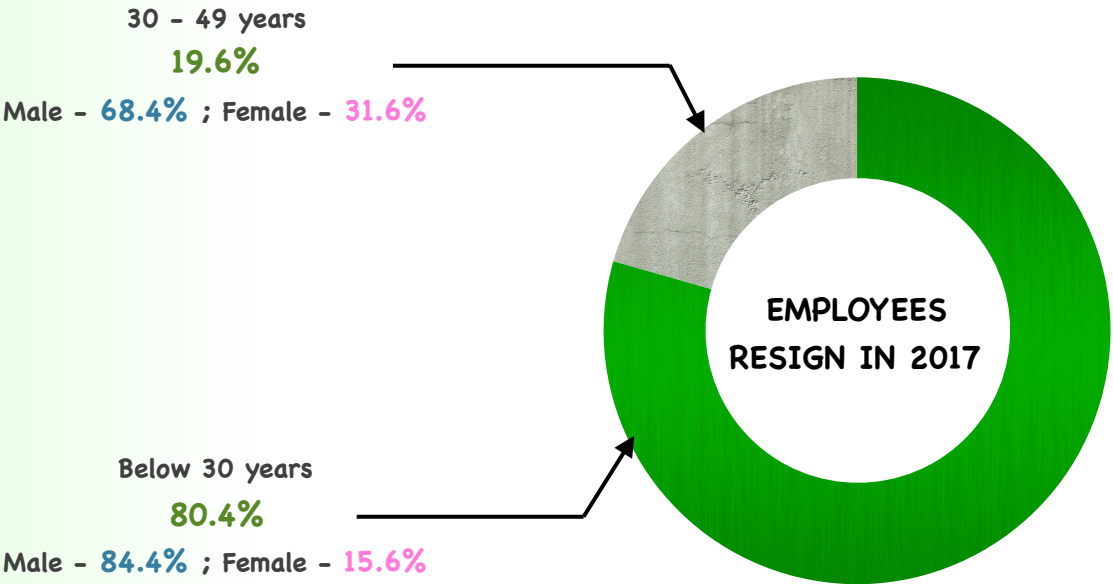
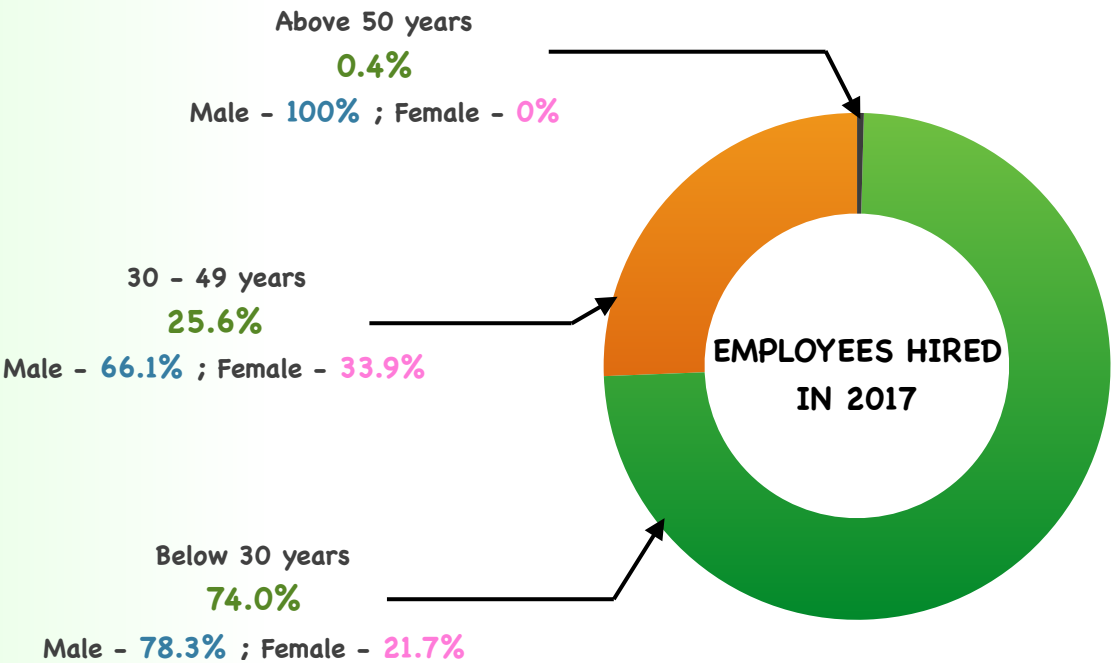
EMPLOYEES BY GENDER BELOW 50 YEARS OLD



EMPLOYEES BY GENDER ABOVE 50 YEARS OLD



Our People in Dongguan, China



* No employee above 50 years resigns in 2017

5.2.2 Growth and Development

The sustainability of the Group's business depends largely on the performance of our employees.

Company's Spirit in Dongguan, China is to have "Continuous improvement in the quality" and to "provide excellent customer service to satisfy customers". Working in line with our Company's Spirit, we continuously equip our employees with necessary knowledge, relevant skill sets and appropriate attitudes.

We ensure that our employees understand their responsibilities and are given access to necessary training to equip them with skills to do better.

Training such as fire safety, water recycling process, quality assurance, etc were provided 2017.



5.2.3 Employee Wellness

We believe that the well-being of our employees will lead to a productive workforce. In Dongguan, China, we provide benefits such as insurance (maternity, industrial injury, unemployment, medical and pension insurance), housing provident fund, and leaves (annual, marriage, maternity leave) to our full time employees.

We provide well facilitated dormitory for our employees near the factories with daily living standards of RMB10.

In Dongguan, China, our employees are able to utilise places like the Reading Room, Entertainment Room, TV Room, etc during their spare time.

We organised activities for our employees to strengthen their bonds with each other as well as to enjoy their employment in Jadason Enterprises.



5.3 Health and Safety

The health and safety of our employees is important to us. With an accident prone, dangerous and/or hazardous working environment, it will not only affect our employees but it will also affect on our business operation in Dongguan, China.

We subscribe and comply to the safety requirements of China reporting standard (GB6441-86), ISO 9001:2015 and ISO 14001:2015 standards for our factories in Dongguan, China.

In Dongguan, China, our employees are required to follow strictly to the safety measures that were being put in place in the factories. We arranged trainings for our employees to educate them on the proper method in handling in the machineries and equipments, logistics flow, etc, to minimise the risk of accident.



In 2017, we recorded ZERO fatality across our factories in Dongguan, China.

In 2017, we recorded FOUR accidents across our factories in Dongguan, China, with more than 500 employees.



6. GRI Context Index

This report has been prepared in accordance with the GRI Standards: Core option

General Disclosures			
GRI Standard Number	Disclosure Number and Title		Chapter Reference
Organization Profile			
GRI 102: General Disclosures 2016	102-1	Name of the organization	About this Report (pg 01)
	102-2	Activities, brands, products, and services	Principle Business (pg 04)
	102-3	Location of headquarters	About Jadason Enterprises (pg 04)
	102-4	Location of operations	About Jadason Enterprises (pg 04) Equipments and Supplies (pg 04) Our People (pg 07)
	102-5	Ownership and legal form	About Jadason Enterprises (pg 04) Annual Report (pg 15)
	102-6	Markets served	About Jadason Enterprises (pg 04) Principle Business (pg 04)
	102-7	Scale of the organization	Our People (pg 07) Annual Report (pg 04, 06, 93, 94)
	102-8	Information on employees and other workers	Our People (pg 07)
	102-9	Supply chain	Supply Chain (pg 06)
	102-10	Significant changes to the organization and its supply chain	N.A. - First Sustainability Report
	102-11	Precautionary Principle or approach	Message from the Group CEO (pg 02 - 03) Risk Management (pg 06)
	102-12	External initiative	Reporting Standard (pg 01) About Jadason Enterprises (pg 04)
	102-13	Membership of associations	N.A - No membership associations
Strategy			
GRI 102: General Disclosures 2016	102-14	Statement from senior decision-maker	Message from the Group CEO (pg 02 - 03)
Ethics and integrity			
GRI 102: General Disclosures 2016	102-16	Values, principles, standards, and norms of behaviour	Corporate Governance (pg 05 - 06)
Governance			
GRI 102: General Disclosures 2016	102-18	Governance structure	Corporate Governance (pg 05 - 06)

GRI Standard Number	Disclosure Number and Title		Chapter Reference
Stakeholder Engagement			
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	Stakeholder Engagement (pg 08)
	102-41	Collective bargaining agreements	N.A. - Employees are not covered by collective bargaining agreements
	102-42	Identifying and selecting stakeholders	Stakeholder Engagement (pg 08)
	102-43	Approach to stakeholder engagement	Stakeholder Engagement (pg 08)
	102-44	Key topics and concerns raised	Stakeholder Engagement (pg 08)
Reporting Practice			
GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statements	Annual Report (pg 30 33) About this Report (pg 01)
	102-46	Defining report content and topic Boundaries	Sustainability Approach (pg 08 - 09)
	102-47	List of material topics	Sustainability Approach (pg 08 - 09)
	102-48	Restatements of information	N.A. - First Sustainability Report
	102-49	Changes in reporting	N.A. - First Sustainability Report
	102-50	Reporting period	About this Report (pg 01)
	102-51	Date of most recent report	N.A. - First Sustainability Report
	102-52	Reporting cycle	About this Report (pg 01)
	102-53	Contact point for questions regarding the report	About this Report (pg 01)
	102-54	Claims reporting in accordance with the GRI Standards	About this Report (pg 01) GRI Content Index (pg 20)
	102-55	GRI content index	GRI Content Index (pg 20 - 22)
	102-56	External assurance	About this Report (pg 01)
Management Approach			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Sustainability Approach (pg 08 - 09)
	103-2	The management approach and its components	Reaching Out to Sustainability in Dongguan, China (pg 10 - 19)
	103-3	Evaluation of the management approach	N.A. - First Sustainability Report

Topic Specific Disclosures

GRI Standard Number	Disclosure Number and Title		Chapter Reference
Economic Performance			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Economic Performance (pg 09)
Anti-corruption			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Anti-corruption (pg 09)
Environmental			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Materials & Waste (pg 11)
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy Consumption (pg 12)
	302-4	Reduction of energy consumption	Energy Consumption (pg 12)
GRI 303: Water and Effluents 2016	303-3	Water withdrawal	Water Usage (pg 13)
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	Materials & Waste (pg 11)
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Environmental (pg 10)
Social			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Our People in Dongguan, China (pg 17)
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Wellness (pg 18)
GRI 403: Occupational Health and Safety 2016	403-9	Work-related injuries	Health and Safety (pg 19)
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Growth and Development (pg 18)
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Our People (pg 07) Our People in Dongguan, China (pg 15 - 16)
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Child Labour (pg 09)



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