



**JADASON ENTERPRISES LTD**  
(Registration No. 199003898K)

**RESPONSE TO SGX QUERIES**

The Board of Directors (the “**Board**”) of Jadason Enterprises Ltd. (the “**Company**”) and together with its subsidiaries (collectively known as the “**Group**”) has on 22 April 2024 received the following queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in relation to the Group’s Annual Report for the financial year ended 31 December 2023 (“**Annual Report**”) released on 11 April 2024 and sets out its response as follows:-

**Question 1:** We note that the Company has confirmed that the Group has complied with Rules 712 and 715 of the SGX-ST’s Listing Manual in relation to its auditing firms. We note that the Company has multiple foreign subsidiaries which is audited by multiple different auditors.

Please provide the audit committee and board’s confirmation on the suitability of each of the auditors of each significant foreign-incorporated subsidiary under Listing Rule 715(2).

Please substantiate the audit committee’s confirmation with specific information on each auditors’ track record, resource adequacy, as well as any other information required under Listing Rule 712.

**Company’s Response:**

As stated on Page 28 of the Annual Report, BDO LLP, which is registered with the Accounting and Corporate Regulatory Authority (“ACRA”), is the external auditor of the Company. All its significant foreign-incorporated subsidiaries are audited by other BDO Member Firms as disclosed under Note 12 to the Financial Statements from pages 64 to 67 of the Annual Report.

The Group has engaged BDO Limited, Hong Kong to audit its principal subsidiary in Hong Kong and 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.

Both BDO Limited, Hong Kong and BDOSLP are full-resourced service providers, providing internal and external audit, advisory and risk management services, to various industries and have sufficient and appropriate engagement resources in performing the audit work procedures. Both engagement audit partners have more than 17 years of experiences in providing audit & assurance services to public companies.

Based on the above, the Board, with the concurrence of the Audit Committee, is satisfied that these appointments would not compromise the standard and effectiveness of the audit of the Group and 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.

**Question 2:** Listing Rule 1207(10C) requires the Audit Committee’s comments on whether the internal audit function is independent, effective, and adequately resourced. It is noted that the company outsources its internal audit function to Yang Lee and Associates. Please provide information on the relevant experience of Yang Lee & Associates and its engagement team.

**Company’s Response:**

As stated on Page 29 of the Annual Report, the internal audit function of the Group is outsourced to Yang Lee & Associates (“YLA”).

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 engagement team for this engagement comprises two Directors, a Manager and supported by a Senior Associate and an Associate. Each of the two Directors has more than 25 years of relevant experience whilst the Manager has approximately 14 years of relevant experience.

**Question 3:** Listing Rule 710A(2) states that an issuer must describe in its annual report its board diversity policy, including the following:

- (a) the issuer’s targets to achieve diversity on its board;
- (b) the issuer’s accompanying plans and timelines for achieving the targets;
- (c) the issuer’s progress towards achieving the targets within the timelines; and
- (d) a description of how the combination of skills, talents, experience and diversity of its directors serves the needs and plans of the issuer.

As the Company had not provided any specific targets, accompanying plans, timelines and progress, please elaborate further in relation to the Company's Board Diversity Policy pursuant to Listing Rule 710A(2). Please also explain whether and how Listing Rule 710A(2) has been complied with.

**Company’s response:**

As stated on page 18 of the Annual Report, the Company has adopted a Board Diversity Policy, with the objective of promoting and enhancing decision-making through a balance of skills, knowledge, business and industry experience, and diversity of perspectives, to promote the inclusion of different perspectives and ideas and to mitigate against group think.

The Board considers the benefits of all aspects of diversity, including background, experience, gender, age, and other relevant factors when reviewing Board composition and succession planning. The Board, together with the Nominating Committee (“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 Board has not set specific targets for board diversity as it may detract from the more fundamental principle that the candidate must be of the right fit, possesses requisite skill and experience, and meet relevant needs and vision of the Company. The NC shall endeavour to ensure that, where possible, female candidates are included for consideration when identifying candidates to be appointed as new Directors.

Out of the five directors on the Board as at end of financial year ended 31 December 2023, two (or 40% of the Board) are females. In addition, the Board consisted of directors with ages ranging from 60s to 70s, who have served on the Board for different tenures.

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 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 will continue to review opportunities to refresh the Board with a view to expanding the skills, experience and diversity of the Board as a whole. The Company has, on 1 March 2024, appointed a new independent director, Mr Tan Seng Chun, who is in his 50s and whose profile can be found on page 11 of the Annual Report.

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

Based on the above, the Company is of the view that Listing Rule 710A(2) has been complied with.

By Order of the Board

Fung Chi Wai  
Chief Executive Officer

24 April 2024