



JADASON ENTERPRISES LTD
(Co. Reg. No. 199003898K)
(Incorporated in the Republic of Singapore)

Directors

Queeny Ho (Non-Executive Chairman)
Fung Chi Wai (Chief Executive Officer)
Linna Hui Min (Executive Director)
Chua Keng Hiang (Independent Director)
Teo Kiang Kok (Independent Director)

Registered Office

No. 3 Kaki Bukit Crescent
#03-01
Singapore 416237

12 June 2020

To: The Shareholders of Jadason Enterprises Ltd

Dear Shareholder,

ATTACHMENT 1 - THE PROPOSED CHANGE OF THE AUDITORS OF THE COMPANY FROM MESSRS ERNST & YOUNG LLP TO MESSRS BDO LLP (THE "PROPOSED CHANGE OF AUDITORS")

We refer to item 4 appearing in the Notice of Annual General Meeting. This item is an Ordinary Resolution ("**Resolution 4**") for the Proposed Change of Auditors. The purpose of this letter is to provide the shareholders of the Company ("**Shareholders**") with information relating to, and to seek their approval for, Resolution 4 at the annual general meeting of the Company (the "**AGM**") to be convened on 29 June 2020. The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the accuracy of any statements or opinions made or reports contained in this letter.

1. THE PROPOSED CHANGE OF AUDITORS

1.1. Background and Rationale

- 1.1.1. The incumbent auditors of the Company (the "**Auditors**"), Messrs Ernst & Young LLP, were re-appointed at the last AGM held on 29 April 2019 to hold office until the conclusion of the next AGM. Messrs Ernst & Young LLP have held the office of Auditors for the past 16 financial years, since 27 April 2004. The board of directors of the Company (the "**Directors**" or the "**Board**") is now proposing to appoint Messrs BDO LLP to meet its audit obligations, in accordance with Rule 712 of the listing manual of the Mainboard of the SGX-ST (the "**Listing Manual**").
- 1.1.2. As Messrs Ernst & Young LLP have been the Auditors for the past 16 years, the Directors are of the view that a change of the Auditors is timely and part of good corporate governance. A change of the Auditors would also enable the Company and its subsidiaries (collectively, the "**Group**") to benefit from fresh perspectives and views. The Board notes that Messrs BDO LLP meets the requirements under Rule 712(2) of the Listing Manual as it is registered with and regulated by the Accounting and Corporate Regulatory Authority ("**ACRA**").
- 1.1.3. The financial statements of the Company are currently prepared in accordance with the Singapore Financial Reporting Standards (International) and the scope of audit services to be provided by Messrs BDO LLP will be comparable to the services currently provided by Messrs Ernst & Young LLP.
- 1.1.4. Messrs Ernst & Young LLP will retire and not seek re-appointment at the forthcoming AGM.

- 1.1.5. Messrs BDO LLP have on 21 May 2020 given their written consent to act as the Auditors, subject to the approval of Shareholders being obtained at the AGM.
- 1.1.6. The appointment of Messrs BDO LLP would be effective upon obtaining the approval of Shareholders at the AGM. If approval is obtained, Messrs BDO LLP will hold office as the Auditors until the conclusion of the next AGM.
- 1.1.7. The Directors wish to express their appreciation for the past services rendered by Messrs Ernst & Young LLP.

1.2. Requirements under the Listing Manual

- 1.2.1. The Board and the audit committee of the Company (the “**Audit Committee**”), having considered the adequacy of the resources and experience of Messrs BDO LLP and the audit engagement partner assigned, the size and complexity of the Group’s operations, and the number and experience of supervisory and professional staff assigned to the audit, are of the opinion that Messrs BDO LLP will be able to meet the audit requirements of the Company, and that the appointment of Messrs BDO LLP as the Auditors will be able to satisfy Rule 712 of the Listing Manual.
- 1.2.2. Pursuant to Rule 712(3) of the Listing Manual, the appointment of Messrs BDO LLP as the Auditors in place of Messrs Ernst & Young LLP must be specifically approved by Shareholders in a general meeting. Accordingly, the appointment of Messrs BDO LLP as the Auditors at the AGM would be effective upon the approval by Shareholders at the AGM for the Proposed Change of Auditors.

1.3. Confirmations

- 1.3.1. In compliance with Rule 1203(5) of the Listing Manual:
 - (a) Messrs Ernst & Young LLP have confirmed that they are not aware of any professional reasons why Messrs BDO LLP should not accept appointment as the Auditors; and
 - (b) The Company confirms that:
 - (i) There were no disagreements with Messrs Ernst & Young LLP on accounting treatments within the last 12 months;
 - (ii) It is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders;
 - (iii) The specific reasons for the Proposed Change of Auditors are as set out in paragraph 1.1.2; and
 - (iv) It is in compliance with Rules 712 and 715 of the Listing Manual in connection with the appointment of Messrs BDO LLP as the Auditors. The Company will be engaging Messrs BDO LLP as the auditor for its significant foreign-incorporated subsidiaries for the purpose of the consolidation of the financial statements of the Group.
- 1.3.2. Pursuant to Section 205 of the Companies Act, Chapter 50 of Singapore, a copy of the notice of nomination of the proposed new Auditors dated 7 May 2020 from a Shareholder is attached as an annex to this Appendix.

1.4. Information on Messrs BDO LLP

- 1.4.1. Messrs BDO LLP is part of the international BDO network of independent member firms, the world’s 5th largest accounting and consulting network. Their global network has over 1,809 offices in 167 countries with a combined professional staff of 88,120 providing business

advisory services throughout the world. Messrs BDO LLP is a medium sized accounting practice in Singapore with more than 550 staff.

- 1.4.2. The services provided by Messrs BDO LLP include audit and assurance, taxation, accounting and compliance, business services outsourcing, technology advisory, forensic and risk management and corporate finance, transactions and restructuring. Messrs BDO LLP is also the external or internal auditor of several publicly listed companies which are in a broad range of industries such as shipping, manufacturing, construction, food and beverage, palm oil plantations, oil and gas, trading, electronics, education and food processing.
- 1.4.3. Mr. Leong Hon Mun Peter (“**Mr. Leong**”), who will assume the role as the audit engagement partner for the Company, has extensive knowledge of the electronics and printed circuit board industries, which will further enhance the value of the audit. Mr. Leong will be assisted by a team of audit professionals in performing the audit. Mr. Leong started his professional career with BDO and has more than 30 years of experience in the accounting, audit, corporate finance and consulting industry. He has extensive experience in accounting, corporate finance and auditing including specialised assignments on due diligence on acquisitions, valuation of companies, fraud investigations and liquidations. Mr. Leong’s experience also includes the planning and preparation of companies for public flotation. He was involved in the audits and initial public offerings of a number of companies on the SGX-ST.

1.5. Recommendation of the Audit Committee

- 1.5.1. The Audit Committee has reviewed the Proposed Change of Auditors and has taken into consideration the Audit Quality Indicators Disclosure Framework issued by ACRA, as well as the requirements under the Listing Manual. The Audit Committee has also noted that Mr. Leong passed the Practice Monitoring Programme review by ACRA on his previous engagements and there was no adverse feedback from previous exercises.
- 1.5.2. Having satisfied itself as to the suitability of Messrs BDO LLP, the Audit Committee recommends the Proposed Change of Auditors.

2. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at 29 May 2020, the Latest Practicable Date, the interests of the Directors and the Substantial Shareholders in the Shares, as recorded in the Register of Directors’ Shareholdings and Register of Substantial Shareholders’ Shareholdings of the Company are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	No. of shares	% (excluding treasury shares)	No. of shares	% (excluding treasury shares)	No. of shares	% (excluding treasury shares)
<u>Directors</u>						
Queeny Ho ⁽¹⁾	211,000,000	29.2	25,000,000	3.5	236,000,000	32.7
Fung Chi Wai	32,700,000	4.5	-	-	32,700,000	4.5
Linna Hui Min	8,380,000	1.2	-	-	8,380,000	1.2
Chua Keng Hiang ⁽²⁾	1,000,000	0.1	7,500,000	1.1	8,500,000	1.2
Teo Kiang Kok	-	-	-	-	-	-
<u>Substantial Shareholders</u>						
Liaw Hin Hao	63,180,000	8.7	-	-	63,180,000	8.7

Notes:

- (1) Queeny Ho is deemed to be interested in 25,000,000 shares held by Citibank Nominees Singapore Pte Ltd.
- (2) Chua Keng Hiang is deemed to be interested in 7,500,000 shares held by United Overseas Bank Nominees (Private) Limited.

3. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the Proposed Change of Auditors is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution in respect of the Proposed Change of Auditors set out in the Notice of AGM.

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this letter constitutes full and true disclosure of all material facts about the Proposed Change of Auditors, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this letter misleading. Where information in the letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the letter in its proper form and context.

5. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at No. 3 Kaki Bukit Crescent #03-01 Singapore 416237 during normal business hours up to and including the date of the AGM:

- (a) the constitution of the Company; and
- (b) the audited financial statements of the Company for the financial year ended 31 December 2019.

By Order of the Board

Tan Kok Yong
Company Secretary

Notice of Nomination

Date: 7 May 2020

The Board of Directors
Jadason Enterprises Ltd
No. 3 Kaki Bukit Crescent
#03-01
Singapore 416237

Dear Sir / Madam

Notice of Nomination

Pursuant to Section 205 of the Companies Act, Chapter 50, I, Chua Teck Khoon, in my capacity as a member of Jadason Enterprises Ltd (the "Company"), hereby give notice of my nomination of BDO LLP of 600 North Bridge Road, #23-01 Parkview Square, Singapore 188778 for appointment as Auditor of the Company in place of the retiring Auditor, Ernst & Young LLP of One Raffles Quay, North Tower, Level 18, Singapore 048583 at the forthcoming Annual General Meeting of the Company to be held on 29 June 2020 or at any adjournment thereof.

Your faithfully



Chua Teck Khoon
Member, Jadason Enterprises Ltd