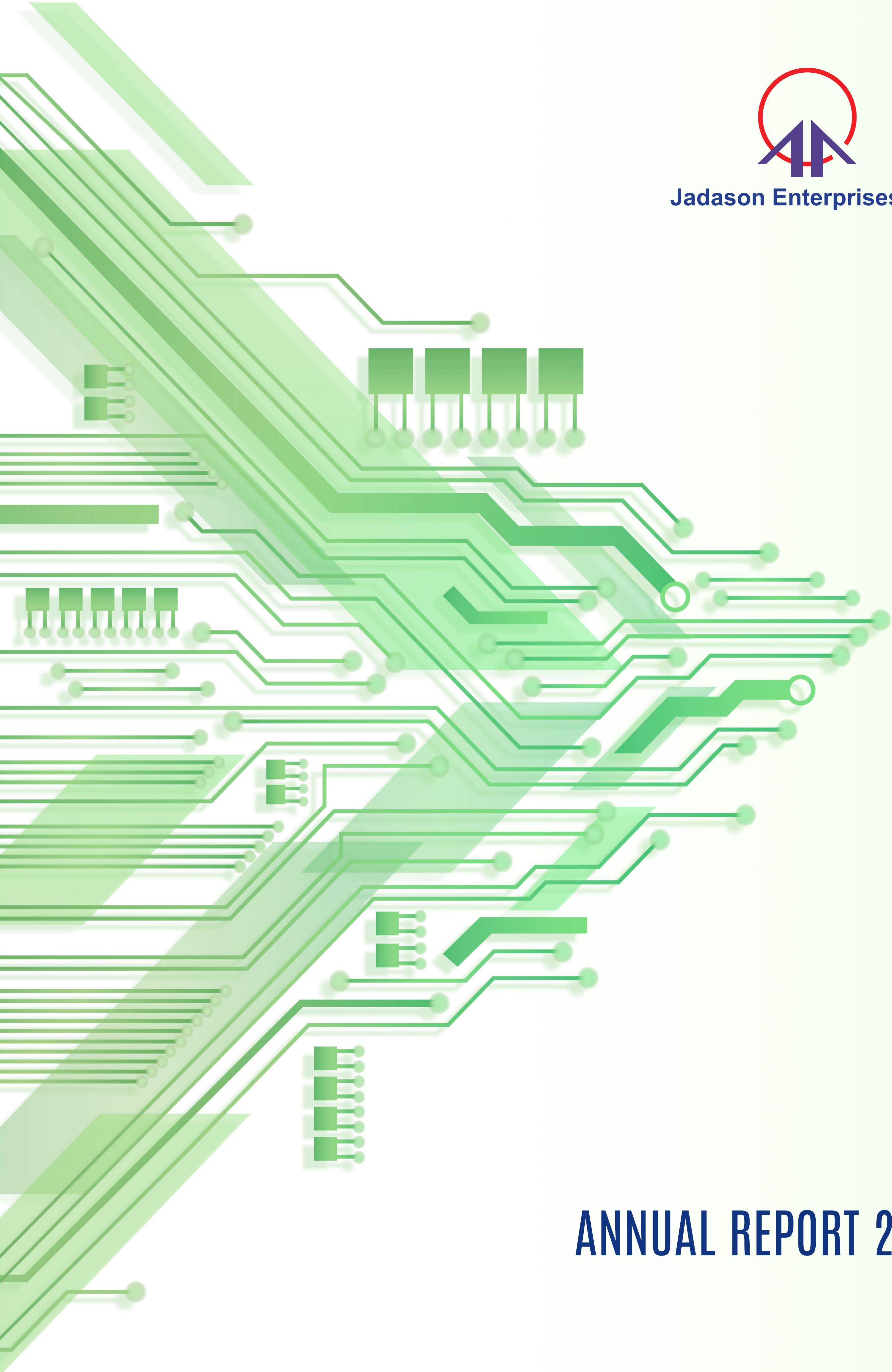


Jadason Enterprises Ltd

ANNUAL REPORT 2021

CONTENTS

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, Thailand and Taiwan. 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. Through a subsidiary company in Dongguan, the Group provides mass lamination services to PCB manufacturers operating in China.

CHAIRMAN'S STATEMENT

QUEENY HO
Non-Executive Chairman

Dear Shareholders

The operating environment in 2021 continued to pose significant challenges to the Group's businesses. Restrictions imposed by the United States ("US") have impacted the sale of telecommunications network gears and smart-phones of certain Chinese technology companies. The China economy was also sluggish during the financial year, with chip and other components shortages, power cuts and corona-virus outbreaks affecting manufacturers. Amidst these disruptions, the Group, which operates mainly in China, reported a loss after taxation of S$10.6 million for the year ended 31 December 2021. The results included non-cash items such as impairment loss on plant and machinery of S$2.9 million and write-down of inventories of S$0.7 million.

Facing unprecedented disruptions and challenges, the Board has decided to remain prudent and is not recommending any dividend payment for the year ended 31 December 2021.

GROUP'S PERFORMANCE

Equipment and Supplies business revenue increased from S$22.5 million in 2020 to S$30.4 million in 2021 due mainly to higher sales of equipment to printed circuit board ("PCB") manufacturers in China. However, this business segment incurred an operating loss of S$0.1 million for 2021, compared with a marginal operating profit for the previous year, due mainly to foreign exchange losses and lower grants received from government measures to support businesses during the Covid-19 pandemic.

Revenue of the Manufacturing and Support Services business for 2021 decreased by 33% from S$18.6 million to S$12.4 million due mainly to weaker demand for PCB drilling services in China amidst the component shortages and the impact of US-China tensions faced by some of our customers. As a result

CHAIRMAN'S STATEMENT

of the under utilisation of capacity, absorption of overhead costs was impacted and this business segment incurred an operating loss of S$9.7 million for 2021, compared with a loss of S$3.0 million for 2020. The weak demand and uncertain economic outlook led to the recognition of an impairment loss on plant and equipment of S$2.9 million and a write-down of inventories of S$0.7 million.

Despite the difficult operating environment, the Group has low gearing and a healthy balance sheet, and this will buffer the Group against short-term shocks. We ended the year with cash and cash equivalents of S$17.7 million and a net cash of S$15.8 million, after accounting for loans from financial institutions of S$1.9 million.

LOOKING AHEAD

Based on discussions with and enquiries from our customers, the demand for PCB equipment is likely to remain stable in the coming year. However, the Covid-19 situation has resulted in long lead time for PCB equipment, and this may affect the performance of our Equipment and Supplies business segment.

The component shortages and trade tensions between the US and China continue to disrupt the business of some of our customers in China, in turn affecting the flow of manufacturing and support services jobs to the Group's factories. The current administration in the US has so far maintained the trade measures put in place by its predecessor. The outlook for our Manufacturing and Support Services business thus remains very challenging.

Our recovery has been disrupted by unprecedented challenges from the pandemic and economic uncertainties. We will focus on maintaining sufficient liquidity, managing cost and further improving productivity. We will also look for opportunities to diversify our revenue streams.

WELCOME, ACKNOWLEDGEMENT AND APPRECIATION

I would like to welcome our new director, Mr. Teng Cheong Kwee, who joined the Board on 1 July 2021. Mr. Teng's knowledge and experience will be a tremendous asset to the Group.

On behalf of the Board, I would like to thank Mr. Teo Kiang Kok for his invaluable contributions to the Board and the Group. Mr. Teo will not be seeking re-election at the Annual General Meeting to be held on 28 April 2022 and will retire as a non-executive Director and a member of the Audit Committee and Remuneration Committee.

I wish to thank our staff and management for their effort and hard work, and our fellow directors for their contributions and guidance during these very difficult times. On behalf of our directors, I would also like to thank our bankers, business associates and shareholders for their continued support.

QUEENY HO
Non-Executive Chairman
March 2022

FINANCIAL HIGHLIGHTS

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

	2021	2020	2019	2018	2017
Turnover	42,782	41,086	44,252	54,787	63,079
(Loss)/Profit before taxation	(10,625)	(3,903)	(14,931)	(778)	2,871
(Loss)/Profit after taxation	(10,636)	(4,076)	(15,004)	(1,344)	2,824
(Loss)/Earnings per share (¢)	(1.47)	(0.56)	(2.08)	(0.19)	0.39

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

	2021	2020	2019	2018	2017
Property, plant & equipment	5,798	8,979	10,367	17,344	18,172
Right-of-use assets - land use rights	407	406	404	431	464
Right-of-use assets	8,969	11,026	12,972	-	-
Current assets	33,657	39,969	37,286	47,069	52,670
	48,831	**60,380**	**61,029**	**64,844**	**71,306**
Current liabilities	18,505	18,360	16,320	15,811	19,319
Non-current liabilities	9,457	12,082	11,771	165	114
	27,962	**30,442**	**28,091**	**15,976**	**19,433**
Shareholders' equity	20,869	29,938	32,938	48,868	51,873
	48,831	**60,380**	**61,029**	**64,844**	**71,306**

OPERATIONS AND FINANCIAL 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 network, covering Singapore, Malaysia, Thailand, China, Hong Kong, Taiwan 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. Through a subsidiary company in Dongguan, we provide mass lamination services to PCB manufacturers operating in China.

CORPORATE OBJECTIVES

2021 continued to see the headwinds of the Covid-19 pandemic, component shortages and tensions between the US and China. In particular, the businesses of some of our customers in China continue to be impacted by component shortages and trade tensions between the US and China, and these in turn affect the flow of manufacturing and support services jobs to the Group's factories. The outlook for our Manufacturing and Support Services business for 2022 thus remains very challenging. Against this backdrop, reviewing and right-sizing our 'Manufacturing and Support Services' operations will be a key initiative of the Group.

Mutated coronavirus strains have added more uncertainties regarding the timing of economic recovery and the Group's PCB manufacturing customers are unlikely to aggressively expand their production capacities. Subject to lead time constraints caused by the pandemic, the Group expects the Equipment and Supplies business to remain stable in 2022. This business provides opportunities for the Group to build business contacts and allows us to better understand the needs and requirements of our customers, and remains an important business activity of the Group. The Group aims to further diversify its customers portfolio and broaden its product range for long-term growth. The Group will also develop and manufacture certain PCB equipment through technology collaboration with business partners.

We will also explore new businesses or opportunities for growth, based on our existing competencies. The Group will continue to maintain a strong balance sheet and a healthy level of bank and cash balance. Despite a difficult year, we were able to increase our cash and cash equivalents during the year under review (see Section on Indebtedness / Cash and Cash Equivalents of this report).

OPERATIONS AND FINANCIAL REVIEW

TURNOVER AND OPERATING RESULTS BY BUSINESS ACTIVITIES AND FINANCIAL PERFORMANCE

Revenue for FY2021 was S$42.8 million, an increase of 4% compared with FY2020 revenue of S$41.1 million. However, the Group posted a loss from operations of S$9.8 million for FY2021, compared with a loss of S$3.0 million for FY2020, due mainly to changes in sales mix and various factors as further explained below.

Following is a summary of the performance of our business segments during the year under review.

	Revenue		(Loss)/profit from Operations	
Business Segments:	**FY2021 S$'000**	**FY2020 S$'000**	**FY2021 S$'000**	**FY2020 S$'000**
Equipment and Supplies	30,360	22,503	(109)	26
Manufacturing and Support Services	12,422	18,583	(9,695)	(3,021)
Total	**42,782**	**41,086**	**(9,804)**	**(2,995)**

'Equipment and Supplies' Segment

Revenue of the Equipment and Supplies business for FY2021 increased by S$7.9 million to S$30.4 million compared with FY2020 on the back of higher sales of equipment to PCB manufacturers in China, reflecting the expansion plans of these customers. The business segment, however, posted an operating loss of S$109,000 for the year under review, compared with an operating profit of S$26,000 for the previous year due mainly to foreign exchange losses and lower Covid-19 related government grants received.

'Manufacturing and Support Services' Segment

Compared with FY2020, the Group's Manufacturing and Support Services business saw a decrease in revenue of 33% to S$12.4 million in FY2021 due to weaker demand from customers for the Group's PCB drilling services in China amidst the component shortages and the impact of US-China tensions faced by some of our customers. This business segment reported a loss from operations of S$9.7 million for the year under review, compared with a loss from operations of S$3.0 million for FY2020. Due to under-utilisation of capacity, absorption of overhead and margin were negatively impacted. Included in the loss from operations of this business segment were an allowance for inventory obsolescence of S$0.7 million (FY2020: S$0.1 million) and an impairment loss on plant and equipment of S$2.9 million (FY2020: S$1.1 million) as further explained under the heading 'Other Expenses' of this report.

Other Income

The decrease in other income during the year under review was due mainly to the absence of a foreign exchange gain, lower scrap sales and grants and credits received from government measures to support businesses during the Covid-19 pandemic, offset partially by the recovery of debt due from a former subsidiary.

The foreign exchange gain in FY2020 was due mainly to the strengthening of the Singapore dollar and Chinese Renminbi against the Hong Kong dollar, as the Group had payables denominated in the latter currency.

The foreign exchange loss in FY2021 was due mainly to the weakening of the Singapore dollar against the Hong Kong dollar as the Group has payables denominated in Hong Kong dollar, as well as the weakening of the Japanese yen against the Hong Kong dollar and Singapore dollar as certain overseas subsidiaries within the Group have bank balances denominated in Japanese yen and payables denominated in Singapore dollar.

The decrease in income from scrap sales in FY2021 was related to the lower business activities at the Group's Manufacturing and Support Services business segment.

During the year under review, lower grants and credits were received from government measures to support businesses during the Covid-19 pandemic compared with prior year.

In December 2011, Jadason Technology Limited ("JTL"), a former subsidiary of the Group, made an offer to settle HK$2.0 million (S$346,000) in full and final settlement of the amount of HK$5.1 million owed to the Group, citing several grounds for compromise. JTL was disposed of in 2005 and at the time of disposal owed the Group an amount of HK$27.6 million, of which HK$5.1 million (S$0.9 million) remained outstanding as at 31 December 2015. The Group made a full allowance against the amount in 2015 but actively followed up with JTL on the repayment. After due consideration and review, the Group accepted the offer made by JTL. Subsequent to the end of the financial year, the Group has received the settlement amount of HK$2.0 million (S$346,000) from JTL. The amount of S$560,000 not recovered represented 1.9% of the audited net tangible assets of the Group as at 31 December 2020.

Selling and Distribution / Administrative Expenses

These expenses were relatively stable in FY2021 compared with FY2020.

Finance Cost

The decrease in finance cost was related to the lower lease liabilities, as explained under the heading 'Selected Balance Sheet Items'.

Other Expenses

The increase in other expenses in FY2021 was due mainly to a higher impairment loss on plant and equipment of S$2.9 million (FY2020: S$1.1 million).

The Group recognised an impairment loss of S$2.9 million in FY2021 due mainly to weak demand at its PCB drilling plants in China as explained on page 6. In making the impairment, management made an estimate of the fair value less costs of disposal of the plant and equipment used in the operation. Under this approach, management considered the prices recently paid or offered for similar machines, and made adjustments to the indicated market prices to take into consideration the conditions of the machines.

The impairment loss on property, plant and equipment of S$1.1 million recorded in the previous year was due mainly to sluggish business conditions experienced by the Group's PCB mass lamination operations amidst the US-China trade tensions and Covid-19 pandemic. The recoverable amounts of the assets had been determined based on their value-in-use derived from management's cash-flow projections.

Income Tax Expense

An income tax expense arose in spite of the loss before income tax due to under-provision of taxation in respect of prior years.

OPERATIONS AND FINANCIAL REVIEW

Selected Balance Sheet Items

Property, plant and equipment decreased during the year under review due mainly to depreciation charge and impairment loss as described earlier in this report, offset partially by additions of equipment and the effect of translating the financial statements of foreign subsidiaries into Singapore dollar.

Right-of-use ("ROU") assets relate mainly to leases of factory and office premises occupied by various entities within the Group, and are recognised following the adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 Leases in FY2019. The decrease in ROU assets was due mainly to depreciation charge, offset partially by new leases and the effect of translating the financial statements of foreign subsidiaries into Singapore dollar.

The decrease in inventories of the Group was due mainly to an allowance for inventory obsolescence of S$0.7 million as mentioned earlier.

The decreases in trade and bill receivables of the Group were due mainly to payments received and the lower business activities at the Group's Manufacturing and Support Services business during the year under review.

Trade and other payables of the Group decreased due mainly to payments made and the lower business activities at the Group's Manufacturing and Support Services business during the year under review.

Lease liabilities relate mainly to leases of factory and office premises occupied by various entities within the Group, and are recognised following the adoption of SFRS(I) 16 Leases in FY2019. The decrease in total lease liabilities of the Group was due mainly to lease payments made, offset partially by new leases and the effect of translating the financial statements of foreign subsidiaries into Singapore dollar.

OPERATIONS AND FINANCIAL REVIEW

Indebtedness / Cash and Cash Equivalents

After accounting for loans and lease liabilities from financial institutions, the Group was net cash positive at S$15.8 million at the end of the year. The amount of the Group's borrowings from financial institutions, cash and cash equivalents and shareholders' equity is set out below:

	31 Dec 2021 S$'000	31 Dec 2020 S$'000
Due within 1 year:		
Lease liabilities with financial institutions	-	1
Bank loans	480	83
	480	**84**
Due after 1 year:		
Lease liabilities with financial institutions	-	1
Bank loans	1,441	1,917
	1,441	**1,918**
Total indebtedness with financial institutions	**1,921**	**2,002**
Cash and cash equivalents	**17,700**	**15,353**
Shareholders' equity	**20,869**	**29,938**

Information regarding the Group's borrowings from financial institutions can be found in the Notes to the Financial Statements.

RISK FACTORS / MANAGEMENT

Business Risk

The Group is a provider of equipment, supplies and manufacturing services to the PCB manufacturers and is therefore dependent on the overall electronics 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. Over the years, along with rapid development of its information communications technology, China has become the world's largest manufacturing center for electronic products.

The long term growth prospect of the PCB industry in China looks good, underpinned by the demand for electronic products, development of mobile telecommunication technologies, advancement in automotive electronics, growing automation and digitalisation. However, as explained earlier in this report, we are prepared to review and streamline our operations in response to the near-term uncertainty.

OPERATIONS AND FINANCIAL REVIEW

As relations between the US and China worsen and the trade conflict intensifies, companies will want to build up new factories outside of China. Following the Covid-19 pandemic, companies will likely accelerate their diversification of manufacturing base and supply chains to mitigate risks. The Group is following this development, and will take actions when the opportunities arise.

Operation Risk

The Group has substantial operations in China, and in order to oversee the smooth running of its operations in the country, it has a team of dedicated management and staff who are familiar with the local market conditions and operating environment.

In recent years, the Group and many other factories in China have faced increasing labour cost and difficulties in retaining the workers. The Group continuously reviews its processes to reduce manpower requirement, and its incentive schemes to retain workers at its factories. Over the past few years, the Group has also progressively invested in automation equipment and processes to reduce manpower needs and enhance operational efficiency at its factories.

Financial Risk

The financial risks are described in the Notes to the Financial Statements. There are designated personnel within the Group responsible for compiling regularly the information relevant to managing those risks, and these reports are provided to management for review and taking actions if necessary.

Please also refer to the corporate governance report for further discussion on risk management and internal controls.

DIVIDENDS

The Group does not have a fixed dividend policy as it operates in a cyclical and volatile industry. This is described in greater detail in the first paragraph under the Section on 'Business Risk'. However, management is 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 FY2021, the Directors have decided to remain prudent in the face of economic uncertainty and do not recommend the payment of dividend.

GEOGRAPHICAL PRESENCE

BOARD OF DIRECTORS

QUEENY HO

Non-Executive Chairman

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

FUNG CHI WAI

Chief Executive Officer

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 South East 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.

CHUA KENG HIANG

Non-Executive Director

Mr Chua is a practicing member of the Institute of Singapore Chartered Accountants. He has more than 30 years of experience in public accounting, corporate finance and management. Mr Chua holds an honors degree in accountancy from the then University of Singapore and is a fellow member of the Association of Chartered Certified Accountants (UK). Mr Chua has been a director of the Company since June 2000.

BOARD OF DIRECTORS

TEO KIANG KOK

Non-Executive Director

Mr Teo Kiang Kok was appointed as our director on 3 September 2002. Mr Teo, a senior lawyer, was a partner of Shook Lin & Bok LLP, a firm of advocates and solicitors, from 1987 to 2011. He is currently the firm's senior consultant. Mr Teo has more than 30 years of experience in legal practice. His main areas of practice are corporate finance, international finance and securities. In the course of his legal practice, Mr Teo has advised listed companies extensively on corporate law and compliance requirements.

LINNA HUI MIN

Executive Director

Ms Hui Min was appointed to the board on 26 March 2007. She 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. Ms Hui Min joined the Group in July 1988. In her career with the Group, she has also been responsible for setting up overseas offices and has experience in application and technical support. She holds a Bachelor degree in Science (Chemical Engineering) from the University of California.

Teng Cheong Kwee

Non-Executive Director

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

Mr Teng had also served as an independent director of several other SGX-listed companies. He is currently also a director of several unlisted companies.

KEY MANAGEMENT

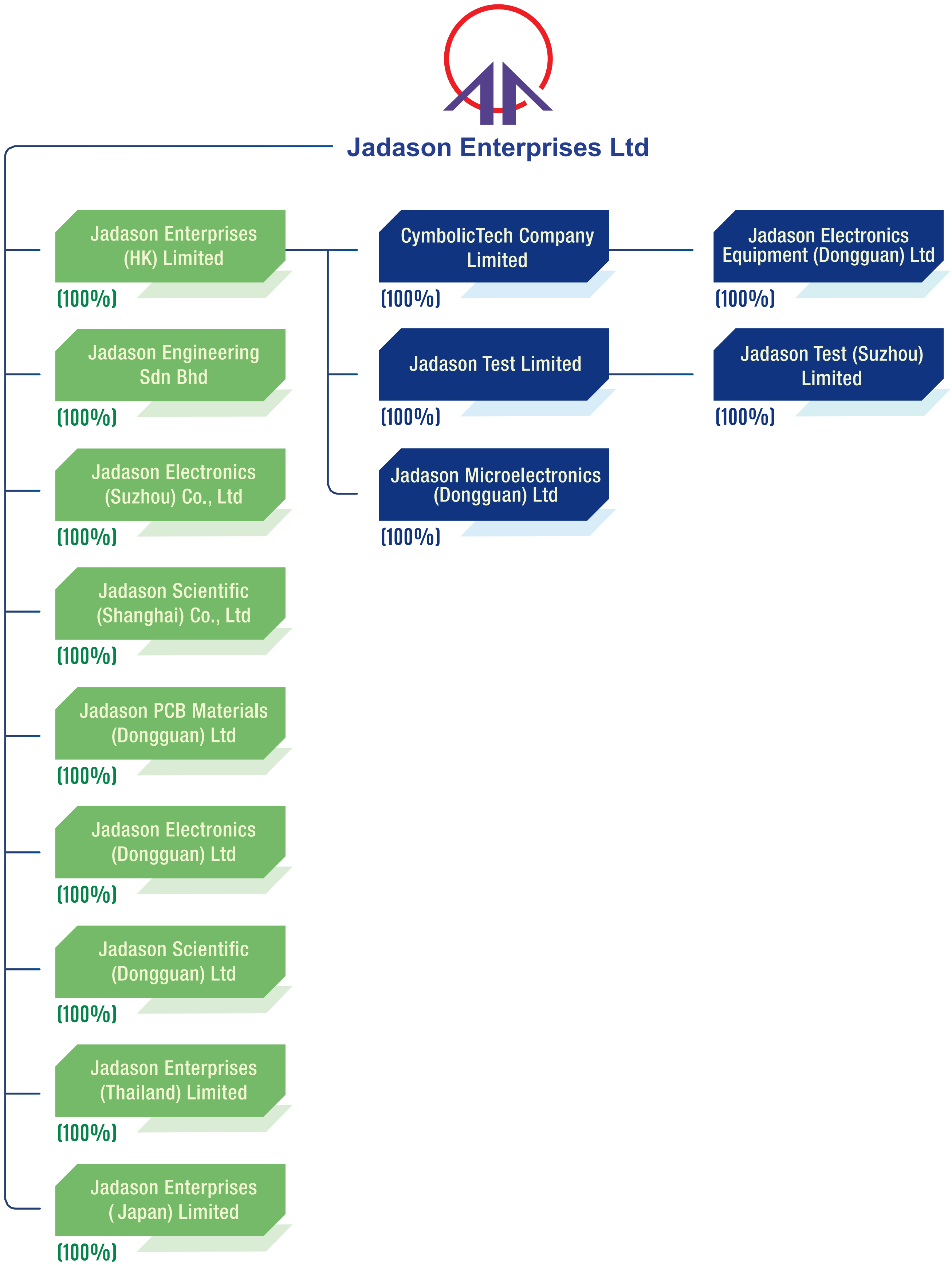
PUNG WEE SENG

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. He 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. He holds a Bachelor degree in Business Administration (RMIT) and two diplomas in other disciplines.

TAN KOK YONG

Mr Tan Kok Yong is the Chief Financial Officer and joined the Group in July 2002. Before joining the Group, he was a Finance Manager of a US multi-national company. From December 1993 to November 1999, he worked in the audit division of an international accounting firm. He holds a Bachelor degree in Accountancy from the National University of Singapore.

GROUP STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

Queeny Ho
(Non-Executive Chairman)

Fung Chi Wai
(Chief Executive Officer)

Linna Hui Min
(Executive Director)

Chua Keng Hiang
(Non-Executive and Lead Independent Director)

Teo Kiang Kok
(Non-Executive Director)

Teng Cheong Kwee
(Non-Executive Director)

AUDIT COMMITTEE

Chua Keng Hiang
(Chairman)
Teo Kiang Kok
Teng Cheong Kwee

NOMINATING COMMITTEE

Teng Cheong Kwee
(Chairman)
Chua Keng Hiang
Queeny Ho

REMUNERATION COMMITTEE

Teng Cheong Kwee
(Chairman)
Chua Keng Hiang
Teo Kiang Kok

COMPANY SECRETARY

Tan Kok Yong

REGISTERED OFFICE

No. 3 Kaki Bukit Crescent #03-01
Singapore 416237
Tel: 6383 1800
Fax: 6383 1390

SHARE REGISTRAR

In.Corp Corporate Services Pte. Ltd.
30 Cecil Street
#19-08 Prudential Tower
Singapore 049712
Tel: 6812 1611
Fax: 6812 1601

PRINCIPAL BANKERS

DBS Bank Ltd
United Overseas Bank Limited

INDEPENDENT AUDITOR

BDO LLP
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778
Tel: 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: 6222 9833

The Board of Directors and Management 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 2021, with specific reference to the principles and provisions of the revised Code of Corporate Governance issued in August 2018 (the "2018 Code" or "the Code"). The Company has generally adhered to the principles and provisions of the 2018 Code. Where there are deviations from the Code, explanations or reasons are 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 ensures that the necessary financial and human resources are in place for the Group to meet its objectives. It also 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, 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 judgment, and make decisions objectively in the best interests of the Group. This is a performance criterion for the assessment of the Directors. Directors facing conflicts of interest shall recuse themselves from discussions and decisions involving the issues of conflict.

Provision 1.2 (Directors' training and orientation)

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. News releases issued by Singapore Exchange Limited ("SGX") and the Accounting and Corporate Regulatory Authority ("ACRA") which are relevant to the Directors are also circulated to the Board. The Chief Executive Officer ("CEO") updates the Board at each meeting on the business and strategic developments of the Group and industry trends. During the year under review, the Board has been briefed on the changes to accounting standards and listing rules requirements. As part of the Company's continuing education for Directors, the Company undertakes to provide funding for continual professional development courses attended by Directors.

New Board members are briefed by the 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. During the year under review, Mr Teng Cheong Kwee, who has prior experience as an independent director of several SGX-listed companies (see page 110), was appointed as independent non-executive Director of the Company. When conditions allow, non-executive Directors are also invited to the Group's factories in Dongguan and are briefed by the CEO and various factory general managers on the business and ongoing projects of the Group.

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.

CORPORATE GOVERNANCE

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 and the effectiveness of each committee is reviewed on a regular basis. Further information on the activities of these committees can be found in the various provisions contained in this report.

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	
Fung Chi Wai (CEO)	✓			✓			
Chua Keng Hiang		✓	✓		Chairman	Member	Member
Teo Kiang Kok		✓		✓	Member		Member
Linna Hui Min	✓			✓			
Teng Cheong Kwee		✓	✓		Member	Chairman	Chairman

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 the 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 attendance of the Directors at meetings of the Board and Board committees during the financial year is as follows:

Director	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held	2	3	1	2
No. of meetings attended:				
Queeny Ho	2	1^, 1#	1	2^
Fung Chi Wai	2	2 #	1 #	–
Chua Keng Hiang	2	3	1	2
Teo Kiang Kok	2	3	1	2
Linna Hui Min	2	2 #	1 #	–
Teng Cheong Kwee	1@	2@	–@	–@

Attendance by invitation of the Committee

@ Appointed as independent Director on 1 July 2021

^ Ceased to be a member on 1 July 2021

Provision 1.6 (Access to 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 fulfill its responsibilities, all Directors are provided with complete 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 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 independent access to the Group's Management and the Company Secretary, who administers, attends and prepares minutes of Board meetings, and is responsible to the Board for ensuring that Board procedures are followed, and that applicable laws and regulations 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 Company Secretary attends all Board meetings. The Constitution of the Company provides that the appointment and removal of the Company Secretary is subject to the approval of the Board.

Where the 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)

The Board consists of six Directors, of whom two are non-executive and independent. 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 12 and 13 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, legal, business and management experience, 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 one-third 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 directors frequently offering their views. Each Board member is cognizant of his/her role to demonstrate objectivity in their deliberations 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 Code, it has been able to discharge its duties and responsibilities with an appropriate level of independence, professionalism and diversity of thought to enable it to 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 Code.

The independence of the independent non-executive Directors is 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)

The Board consists of six Directors, of whom four are non-executive.

Provision 2.4 (Board composition / Board diversity policy)

Please refer to pages 12 and 13 of the Annual Report for details regarding the Directors' qualifications and experience. There have been no changes in the directorships and chairmanships held by the Directors over the preceding five years in other listed companies and other principal commitments, except that Mr. Teo Kiang Kok ceased to be a director of Memtech International Ltd in 2019, IPC Corporation Ltd and Wilton Resources Corporation Limited in April 2021, and Mr. Chua Keng Hiang ceased to be a director of Ocean Sky International Limited in September 2020 and Memtech International Ltd in 2019. Please also refer to page 110 of the Annual Report for the directorships of Mr. Teng Cheong Kwee, who was appointed a Director on 1 July 2021.

The Board believes that it should have a diversity of skills, experiences and network of business contacts to perform competently. It recognises the importance of all aspects of diversity, including diversity of business and industry experience, background, gender and age. All Board appointments are made on merit, and each Director is appointed on the strength of his caliber, experience, background, business contacts and ability to contribute to the strategy and performance of the Group.

The Board currently has two female Directors, out of the six members.

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, legal, business and management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge.

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. The Company had on 1 July 2021 appointed a new independent non-executive Director, Mr. Teng Cheong Kwee, to the Board. Mr. Teng's professional experience and qualifications have been disclosed on the SGXNET on 1 July 2021.

Whilst the Company does not have a formal board diversity policy, the practices adopted by it are consistent with the intent of Principle 2 of the 2018 Code, which requires the Board to have 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 2.5 (Meeting of independent directors without Management)

When necessary, the independent non-executive Directors meet without the presence of Management to discuss and review any matters regarding the Group. The Chairman of such meetings provides feedback to the Board and/or 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)

There is a clear division of responsibilities between the Chairman, Ms. Queeny Ho, who is a non-executive Director, and the CEO, Mr. Fung Chi Wai. The Chairman and the CEO are not related to each other.

Provision 3.2 (Responsibilities of Chairman and CEO)

The CEO has executive responsibilities over the business directions and day-to-day operations of the Group while the responsibilities of the Chairman include the following:

- leading the Board and 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.

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. Shareholders with concerns may contact him directly, when contact through the normal channels via the Chairman, CEO or Chief Financial Officer ("CFO") has failed to provide satisfactory resolution, or when such contact is inappropriate. When necessary, all the independent Directors, including the lead independent Director, meet without the presence of other executive and non-independent Directors to discuss matters of significance which are then reported to the Chairman accordingly.

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 considered 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 is no alternate director on the Board.

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	29 June 2020	
Fung Chi Wai	10 August 2000	30 April 2021	
Chua Keng Hiang	16 June 2000	30 April 2021	
Teo Kiang Kok	3 September 2002	29 April 2019	
Linna Hui Min	26 March 2007	29 June 2020	✓
Teng Cheong Kwee	1 July 2021	–	✓

Mr. Teo Kiang Kok, who is retiring pursuant to Regulation 89 of the Constitution of the Company, will not be seeking for re-election at the forthcoming AGM.

Mr. Teng Cheong Kwee, who was newly appointed on 1 July 2021, will retire under Regulation 88 of the Company's Constitution and stand for re-election at the forthcoming AGM.

The NC is satisfied that Ms Linna Hui Min and Mr. Teng Cheong Kwee 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 109 - 114 (Additional Information on Directors seeking Re-election) of the Annual Report.

Provision 4.2 (Composition of NC)

The NC comprises Mr. Teng Cheong Kwee as Chairman and Mr. Chua Keng Hiang and Ms. Queeny Ho as members. Mr. Teng Cheong Kwee and Mr. Chua Keng Hiang are non-executive and 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)

The NC is aware that with effect from 1 January 2022, a director who has been a director for an aggregate period of more than nine years will not be considered independent unless his appointment as an independent director is approved by the majority in a two-tier voting process as follows:

- First voting – all shareholders; and

- Second voting – all shareholders, excluding shareholders who also serve as directors or CEO of the Company and their respective associates.

Mr. Chua Keng Hiang, who has been a director for more than nine years, was re-appointed as an independent Director at the AGM held on 30 April 2021 in accordance with the above two-tier voting by shareholders.

In respect of FY2021, in carrying out the assessment of the independence of Mr. Chua Keng Hiang, the NC considered the following attributes and contributions of Mr. Chua and concluded that the length of tenure does not impact his independence:

- providing objective and constructive views to the Board and Management;

- speaking up and offering practical solutions to issues and working towards increasing value to the Group and for the benefit of all shareholders;

- ability to evaluate and assess the information provided to the Board in an independent and constructive manner and render such advice as may be necessary to assist Management in implementing the plans and policies.

The NC is of the view that Mr. Chua 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. Chua has confirmed in writing of his independence in accordance with the 2018 Code.

Accordingly, the NC determines that Mr. Chua is independent notwithstanding that he has served on the Board for more than nine years from the date of his appointment. The Board accepts the NC's view and affirms the independence of Mr. Chua.

In its annual review, the NC was of the view that Mr. Teng Cheong Kwee, who was newly appointed on 1 July 2021, is independent of management and independent in character and judgement.

Provision 4.5 (Time commitments of directors)

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

For Directors who have board representations in other public listed companies, the NC has reviewed the work and other commitments of such Directors and assessed 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 number for such board representation is not meaningful in the context of the Group. The Board accepts and affirms the view of the NC.

Please refer to pages 12 and 13 for the listed company directorships and principal commitments of the Directors.

Please also refer to the information provided under Provisions 1.2, 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 and 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 year ended 31 December 2021, 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.

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 Board of Directors and key executives;

- Consider, review and approve and/or vary the specific remuneration packages for each executive Director;

- Consider whether Directors should be eligible for benefits under long-term incentive schemes;

- Review the Group's obligations in the event of termination of executive Directors' and key management personnel'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 in FY2021.

Provision 6.2 (Composition of RC)

The RC comprises the following three non-executive Directors:

Mr. Teng Cheong Kwee (Chairman);
Mr. Chua Keng Hiang; and
Mr. Teo Kiang Kok

As mentioned earlier, Mr. Teng Cheong Kwee and Mr. Chua Keng Hiang are 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 senior management to run the Group successfully. In setting remuneration packages for the Directors and executives 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 senior management executive are factors considered in determining the annual bonus for the employees.

The remuneration for the executive Directors and senior executives 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. For the year ended 31 December 2021, no incentive bonus was paid to the executive Directors and senior executives 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 contribution and responsibilities of the Directors. Non-executive Directors are not over-compensated to the extent that their independence may be compromised. The remuneration of non-executive Directors is 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 year ended 31 December 2021 was as follows:

Name	Below S$250,000	S$250,000 – S$499,999	S$500,000 – S$749,999
Executive Director			
Fung Chi Wai			✓
Linna Hui Min		✓	
Non-executive Director			
Queeny Ho	✓		
Chua Keng Hiang	✓		
Teo Kiang Kok	✓		
Teng Cheong Kwee	✓		

As no bonus was paid to the Directors for FY2021, Mr. Fung Chi Wai's remuneration comprised 95% as fixed salary, 2% as CPF / MPF (Hong Kong) contribution and 3% as benefits in kind, and Ms Linna Hui Min's remuneration comprised 99% as fixed salary and 1% as MPF (Hong Kong) contribution.

The key management personnel (who are not Directors or the CEO) of the Group each earned below S$250,000 in FY2021, and the remuneration was in the form of fixed salary only. No bonus was paid in respect of FY2021, as mentioned under Provision 7.1.

The Company is not disclosing the remuneration of Directors and key management personnel (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 key management personnel (who are not Directors or the CEO) except for those as disclosed on page 14. 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 senior executives' 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 key management personnel, consistent with the intent of Principle 8 of the 2018 Code.

For FY2021, no termination, retirement or post-employment benefits have been granted to the Directors, the CEO and key management personnel (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.

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 a system of risk management and internal 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)

The AC, together with the Board and the CFO, 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.

For FY2021, the Board has received written assurance from:

- the CEO and the CFO that the financial records of the Group have been properly maintained and the financial statements for the year ended 31 December 2021 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 CFO, 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.

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 CFO on the financial records and financial statements (see Provision 9.2).

The AC also reviewed the adequacy of the Group's whistle blowing 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. Details of the whistle blowing policies and procedures have been communicated to employees of the Group.

The AC met three times in FY2021. Details regarding the members' attendance at these meetings are shown in page 18 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 FY2021 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 CFO 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 FY2021, 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.

The Group has 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 Singapore Exchange Securities Trading Limited'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 FY2021 is S$178,000. There is no non-audit fee payable to auditors of the Company and their affiliates for the year, and the AC is satisfied with the independence of the external auditors.

Internal audit

During the year, the AC reviewed the internal audit plan developed by the internal auditors in consultation with, but independent of Management. The AC also reviewed the audit findings and recommendations of the internal auditor arising from the review undertaken during the year, 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 Singapore Exchange Securities Trading Limited'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 Singapore Exchange Securities Trading Limited's Listing Manual, and has not entered into any transaction with interested party of more than S$100,000 (as set out in the Singapore Exchange Securities Trading Limited's Listing Manual) in FY2021 except for the recovery of debt previously provided for / written off from a former subsidiary as disclosed in Note 5 of the Financial Statements.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the year
Jadason Technology Limited	Former subsidiary	S$346,000

Provision 10.2 (Composition of AC)

The AC comprises Mr. Chua Keng Hiang as Chairman, and Mr. Teo Kiang Kok and Mr. Teng Cheong Kwee 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 30 years of accounting and auditing experience. Mr. Teo Kiang Kok, a senior lawyer, was a partner of Shook Lin and Bok LLP ("SLB"), a firm of advocates and solicitors, from 1987 to 2011 and is currently SLB's senior consultant. His main areas of practice are corporate finance, international finance and securities. Mr. Teo was for many years the Finance Partner of SLB. Mr. Teng Cheong Kwee has deep experience in regulatory compliance and had served as an independent director of several other SGX-listed companies. 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 access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources 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 FY2021, the internal audit function of the Group is outsourced to Yang Lee & Associates ("YLA"). 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 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.

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 results for FY2021 and the audit observations arising from the audit of the financial statements for FY2021. The AC has also met with the internal auditors (see Provision 10.4) without the presence of Management in February 2022, 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)

Prior to the Covid-19 pandemic, it had been the practice of the Company to hold its AGM at a central location in Singapore to encourage shareholder participation. At such meetings, the rules, including voting procedures, that govern general meetings of shareholders, are explained by a representative from the independent scrutineer firm appointed at the general meeting. In light of the Covid-19 pandemic, such meetings have been held via electronic means.

All the resolutions at the AGM are single item resolutions and 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 AGM and through SGXNET.

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 last AGM, and will endeavour to be present at the forthcoming FY2021 AGM.

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.

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 allow 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.

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 market conditions, the Board has decided to remain prudent and does not recommend the payment of dividend for the year ended 31 December 2021.

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 FY2021, the Group provides 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 does not practise selective disclosure.

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.

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 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 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, 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 the Singapore Exchange Securities Trading Limited. 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 FY2021, 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 36 of the Annual Report.

Material contracts

During the financial year, there was no material contracts entered into by the Company or any of its subsidiary companies involving the interests of the CEO or any Director or substantial shareholder.

FINANCIAL CONTENTS

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 2021 and the statement of financial position of the Company as at 31 December 2021.

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 2021 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)
Chua Keng Hiang	
Teo Kiang Kok	
Linna Hui Min	
Teng Cheong Kwee	(Appointed on 1 July 2021)

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.

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:

	Direct interest		Deemed interest	
Name of Director	**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**
<u>**The Company**</u>				
Jadason Enterprises Ltd				
(Ordinary shares)				
Queeny Ho [(1),(2)]	211,000,000	–	25,000,000	236,000,000
Fung Chi Wai	32,700,000	32,700,000	–	–
Chua Keng Hiang [(3)]	1,000,000	1,000,000	7,500,000	7,500,000
Linna Hui Min	8,380,000	8,380,000	–	–

(1) 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.

(2) Queeny Ho is deemed to have an interest in 236,000,000 (2020: 25,000,000) shares held under Citibank Nominees Singapore Pte Ltd as her nominee.

(3) Chua Keng Hiang is deemed to have an interest in 7,500,000 (2020: 7,500,000) shares held under Raffles Nominees (Pte.) Limited as his 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 2022 in the shares of the Company have not changed from those disclosed as at 31 December 2021.

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.

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 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.

7. Independent auditors

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

On behalf of the Board of Directors,

Fung Chi Wai
Director

Linna Hui Min
Director

Singapore
31 March 2022

INDEPENDENT AUDITORS' REPORT

To the Members of Jadason Enterprises Ltd
For the financial year ended 31 December 2021

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 43 to 100, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, 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 2021, 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 2021

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 2021, the carrying amount of the Group's property, plant and equipment as at 31 December 2021 was $5,798,000, which included plant and machinery with a carrying amount of $4,643,000. 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 values less costs of disposal method. When performing the impairment assessment, the Group had used the recent selling prices of similar used machines as a proxy to determine the fair value of plant and machinery held by those subsidiaries that were loss making, adjusted for machine model, age and functionality. Arising from this assessment, the Group recorded impairment loss of $2,859,000 for property, plant and equipment 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 2.7, 3.2(i), 5(b), and 10 to the accompanying financial statements.	We performed the following audit procedures, amongst others: ■ Held discussions with management to understand the basis of impairment assessment; ■ Assessed the reasonableness of the key assumptions used by evaluating the underlying data used to determine the recoverable amount using the fair value less costs of disposal method; ■ Evaluated the reasonableness of the adjustments made by management on the fair value of plant and machinery by analysing the data to assess if the machines with impairment indicators were identical to those used machines sold during the financial year; 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.

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.
- 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.

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

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
31 March 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	Group 2021 $'000	Group 2020 $'000
Revenue	4	42,782	41,086
Cost of sales		(40,897)	(35,668)
Gross profit		1,885	5,418
Other income	5(a)	806	2,057
Selling and distribution expenses		(1,258)	(1,324)
Administrative expenses		(8,378)	(8,002)
Finance costs	6	(821)	(908)
Other expenses	5(b)	(2,859)	(1,144)
Loss before income tax	7	(10,625)	(3,903)
Income tax expense	8	(11)	(173)
Loss for the financial year attributable to owners of the Company		(10,636)	(4,076)
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		1,567	1,076
Other comprehensive income for the financial year, net of tax		1,567	1,076
Total comprehensive income for the financial year attributable to owners of the Company		(9,069)	(3,000)
Loss per share attributable to owners of the Company (in cents)			
Basic and diluted	9	(1.47)	(0.56)

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Non-current assets					
Property, plant and equipment	10	5,798	8,979	5	–
Right-of-use assets - land use rights	11	407	406	–	–
Right-of-use assets	12(a)	8,969	11,026	368	523
Investments in subsidiaries	13	–	–	16,281	17,748
		15,174	20,411	16,654	18,271
Current assets					
Inventories	14	2,661	3,398	260	248
Trade and other receivables	15	13,085	21,045	2,149	1,706
Prepayments		211	158	37	42
Cash and cash equivalents	16	17,700	15,353	1,691	2,384
Income tax recoverable		–	15	–	–
		33,657	39,969	4,137	4,380
Total assets		48,831	60,380	20,791	22,651
Current liabilities					
Trade and other payables	17	12,986	13,640	10,102	9,301
Trust receipts	18	1,920	1,746	1,920	1,746
Lease liabilities	12(b)	2,762	2,463	158	147
Bank borrowings	19	480	83	480	83
Income tax payable		357	428	–	–
		18,505	18,360	12,660	11,277
Net current assets/(liabilities)		15,152	21,609	(8,523)	(6,897)
Non-current liabilities					
Bank borrowings	19	1,441	1,917	1,441	1,917
Lease liabilities	12(b)	7,855	10,006	229	387
Provision for long service payment	20	161	159	–	–
		9,457	12,082	1,670	2,304
Total liabilities		27,962	30,442	14,330	13,581
Net assets		20,869	29,938	6,461	9,070
Equity attributable to owners of the Company					
Share capital	21(a)	50,197	50,197	50,197	50,197
Treasury shares	21(b)	(307)	(307)	(307)	(307)
Reserves	22	(29,021)	(19,952)	(43,429)	(40,820)
Total equity		20,869	29,938	6,461	9,070

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Attributable to owners of the Company						
	Share capital $'000	Treasury shares $'000	Foreign currency translation reserve $'000	Reserve and enterprise expansion funds $'000	Accumulated losses $'000	Total reserves $'000	Total equity $'000
Group							
2021							
Balance at 1 January 2021	50,197	(307)	(3,773)	5,711	(21,890)	(19,952)	29,938
Loss for the financial year	–	–	–	–	(10,636)	(10,636)	(10,636)
<u>Other comprehensive income</u>							
Item that may be reclassified subsequently to profit or loss							
Exchange differences on translating foreign operations	–	–	1,567	–	–	1,567	1,567
Total comprehensive income for the financial year	–	–	1,567	–	(10,636)	(9,069)	(9,069)
Balance at 31 December 2021	50,197	(307)	(2,206)	5,711	(32,526)	(29,021)	20,869

	Attributable to owners of the Company						
	Share capital $'000	Treasury shares $'000	Foreign currency translation reserve $'000	Reserve and enterprise expansion funds $'000	Accumulated losses $'000	Total reserves $'000	Total equity $'000
Group							
2020							
Balance at 1 January 2020	50,197	(307)	(4,849)	5,711	(17,814)	(16,952)	32,938
Loss for the financial year	–	–	–	–	(4,076)	(4,076)	(4,076)
<u>Other comprehensive income</u>							
Item that may be reclassified subsequently to profit or loss							
Exchange differences on translating foreign operations	–	–	1,076	–	–	1,076	1,076
Total comprehensive income for the financial year	–	–	1,076	–	(4,076)	(3,000)	(3,000)
Balance at 31 December 2020	50,197	(307)	(3,773)	5,711	(21,890)	(19,952)	29,938

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Share capital $'000	Treasury shares $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Total reserves $'000	Total equity $'000
Company						
2021						
Balance at 1 January 2021	50,197	(307)	(87)	(40,733)	(40,820)	9,070
Loss for the financial year	–	–	–	(2,604)	(2,604)	(2,604)
Other comprehensive income						
Item that may be reclassified subsequently to profit or loss						
Exchange differences on translating foreign operations	–	–	(5)	–	(5)	(5)
Total comprehensive income for the financial year	–	–	(5)	(2,604)	(2,609)	(2,609)
Balance at 31 December 2021	50,197	(307)	(92)	(43,337)	(43,429)	6,461

	Share capital $'000	Treasury shares $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Total reserves $'000	Total equity $'000
Company						
2020						
Balance at 1 January 2020	50,197	(307)	(81)	(23,493)	(23,574)	26,316
Loss for the financial year	–	–	–	(17,240)	(17,240)	(17,240)
Other comprehensive income						
Item that may be reclassified subsequently to profit or loss						
Exchange differences on translating foreign operations	–	–	(6)	–	(6)	(6)
Total comprehensive income for the financial year	–	–	(6)	(17,240)	(17,246)	(17,246)
Balance at 31 December 2020	50,197	(307)	(87)	(40,733)	(40,820)	9,070

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	2021 $'000	2020 $'000
Cash flows from operating activities		
Loss before income tax	(10,625)	(3,903)
Adjustments for:		
Bad debts written off - trade	–	26
Allowance for inventories obsolescence	699	124
Depreciation of right-of-use assets	2,733	2,739
Depreciation of property, plant and equipment	895	1,027
Amortisation of right-of-use assets - land use rights	18	17
Interest expense	821	908
Interest income	(85)	(52)
Gain on disposal of property, plant and equipment	(16)	(64)
Write-off of property, plant and equipment	23	11
Write-back of allowance for inventories obsolescence	(20)	(399)
Reversal of allowance for expected credit losses – third party trade receivables	(35)	–
Impairment loss on property, plant and equipment	2,859	1,144
Unrealised exchange loss/(gain)	342	(592)
Operating cash flows before changes in working capital	(2,391)	986
Changes in working capital:		
Trade and other receivables	8,659	2,067
Prepayments	(53)	(34)
Inventories	58	796
Trade and other payables	(918)	2,792
Cash flows generated from operations	5,355	6,607
Income tax paid	(100)	(30)
Net cash flows generated from operating activities	5,255	6,577
Cash flows from investing activities		
Purchase of property, plant and equipment	(213)	(265)
Interest received	85	52
Proceeds from disposal of property, plant and equipment	79	64
Net cash flows used in investing activities	(49)	(149)
Cash flows from financing activities		
Proceeds from trust receipts	5,812	5,247
Repayment of trust receipts	(5,638)	(5,615)
Proceeds from bank borrowings	–	2,000
Repayment of bank borrowings	(79)	(1,000)
Interest paid	(108)	(93)
Repayment of principal portion of lease liabilities	(2,581)	(2,297)
Repayment of interest portion of lease liabilities	(713)	(815)
Net cash flows used in financing activities	(3,307)	(2,573)
Net change in cash and cash equivalents	1,899	3,855
Cash and cash equivalents at beginning of the financial year	15,353	11,233
Effects of exchange rate changes on cash and cash equivalents	448	265
Cash and cash equivalents at end of the financial year (Note 16)	17,700	15,353

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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") and semiconductor industries.

The Company also operates through Jadason Enterprises Ltd, Taiwan Branch (the "Branch") in the Republic of China. The principal activities of the Branch are the promotion of sales and rendering of after-sales service and maintenance.

The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

The statement of financial position of the Company as at 31 December 2021, 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 2021 were authorised for issue in accordance with a Directors' resolution dated 31 March 2022.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") and are prepared under the historical cost convention, except as disclosed in the accounting policies below. Although the Company's current liabilities exceeded its current assets by approximately $8,523,000 (2020: $6,897,000) as at 31 December 2021, it had net assets of approximately $6,461,000 (2020: $9,070,000) as at 31 December 2021. 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.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

The preparation of financial statements in conformity with SFRS(I)s requires the management to exercise judgement in the process of applying the Group's and the Company's accounting policies and requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent asset and liabilities at the end of the reporting periods, and the reported amounts of the revenue and expenses throughout the financial years. Although these estimates are based on management's best knowledge of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year or in the financial year of the revision and future years if the revision affects both current and future financial years.

Critical accounting judgements and key sources of estimation uncertainty used that are significant to the financial statements are disclosed in Note 3 to the financial statements.

New standards, amendments and interpretations effective from 1 January 2021

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.

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:

			Effective date (annual periods beginning on or after)
SFRS(I) 10 and SFRS(I) 1-28 (Amendments)	:	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
SFRS(I) 3 (Amendments)	:	Reference to the Conceptual Framework	1 January 2022
SFRS(I) 1-16 (Amendments)	:	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
SFRS(I) 1-37 (Amendments)	:	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Various	:	Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
SFRS(I) 17	:	Insurance Contracts	1 January 2023*
SFRS(I) 1-1 (Amendments)	:	Classification of Liabilities as Current or Non-current	1 January 2023**
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2	:	Disclosure of Accounting Policies	1 January 2023
SFRS(I) 1-8 (Amendments)	:	Definition of Accounting Estimates	1 January 2023
SFRS(I) 17 (Amendments)	:	Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information	1 January 2023

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

SFRS(I) issued but not yet effective (Continued)

* The mandatory effective date of this Standard had been revised from 1 January 2021 to 1 January 2023 by the ASC in November 2020 via Amendments to SFRS(I) 17.

** The mandatory effective date of this Amendment had been revised from 1 January 2022 to 1 January 2023 by the ASC in July 2020 via Amendment to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current – Deferral of Effective Date.*

Consequential amendments were also made to various standards as a result of these new or revised standards.

Management anticipates that the adoption of the above SFRS(I) in future periods, where applicable, will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries made up to the end of the reporting period. The financial statements of the subsidiaries are prepared for the same reporting date as that of the parent company.

Accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group to ensure consistency.

Subsidiaries are consolidated from the date on which control is transferred to the Group, up to the effective date on which that control ceases. In preparing the consolidated financial statements, inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment loss of the asset transferred.

Changes in the Group's interest in subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

When the Group loses control of subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

2. Summary of significant accounting policies (Continued)

2.3 Business combinations

The acquisitions of subsidiaries are accounted for using the acquisition method. The considerations transferred for the acquisitions are measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Consideration transferred also includes the fair value of any contingent consideration measured at the acquisition date. Subsequent changes in fair value of contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-current Assets Held-for-Sale and Discontinued Operations*, which are recognised and measured at the lower of cost and fair value less costs of disposal.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are re-measured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss.

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair values at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and

- assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-current Assets Held-for-Sale and Discontinued Operations* are measured in accordance with that standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

2. Summary of significant accounting policies (Continued)

2.4 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.

Subsequent expenditure relating to the property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that the future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the Company, and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, estimated useful life and depreciation method are reviewed at each financial year-end to ensure that the residual values, period of depreciation and depreciation method are consistent with previous estimates and expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.5 Right-of-use assets - land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and impairment losses, if any. The land use rights are amortised on a straight-line basis over the lease term of 45.5 years.

2. Summary of significant accounting policies (Continued)

2.6 Investment in subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from its involvement with the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Investments in subsidiaries are accounted for at cost, less impairment loss, if any, in the Company's statement of financial position.

2.7 Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment loss and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups of assets. Impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to other comprehensive income, in which case it is charged to other comprehensive income up to the amount of any previous revaluation.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs of disposal and its value-in-use. Recoverable amount is determined for individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit to which the assets belong. The fair value less costs of disposal is the amount obtainable from the sale of an asset or cash-generating unit ("CGU") in an arm's length transaction between knowledgeable willing parties less costs of disposal. Value-in-use is the present value of estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life, discounted at pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset or cash-generating unit for which the future cash flow estimates have not been adjusted.

An assessment is made at the end of each reporting period as to whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. An impairment loss recognised in prior periods is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment loss are recognised in profit or loss. After such a reversal, the depreciation or amortisation is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (Continued)

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value.

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.

Net realisable value is the estimated selling price at which inventories can be realised in the ordinary course of business, less estimated costs to be incurred to make the sale. Where necessary, allowance is made for obsolete, slow-moving and defective inventories to adjust the carrying value of those inventories to the lower of cost and net realisable value.

2.9 Financial assets

The Group and the Company recognise a financial asset in their statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

The Group and the Company classify their financial assets depending on the Group's and the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group and the Company shall reclass their affected financial assets when and only when the Group and the Company change their business model for managing these financial assets.

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment provisions for trade receivables are recognised based on the simplified approach within SFRS(I) 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the combined statement of comprehensive income. On confirmation that the trade receivable will not be collectible, the gross carrying value of the asset is written off against the associated provision.

2. Summary of significant accounting policies (Continued)

2.9 Financial assets (Continued)

Amortised cost (Continued)

Impairment provisions for all non-trade receivables are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve months expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

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.

Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash and deposits with banks. Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.11 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity and recognised at the fair value of the consideration received. Incremental costs directly attributable to the issuance of new equity instruments are shown in the equity as a deduction from the proceeds.

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

2. Summary of significant accounting policies (Continued)

2.12 Financial liabilities

The Group and the Company recognise a financial liability in their statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

The Group and the Company determine the classification of their financial liabilities at initial recognition.

(i) Trade and other payables

Trade and other payables are recognised initially at cost which represents the fair value of the consideration to be paid in the future, less transaction cost, for goods received or services rendered, whether or not billed to the Group and the Company, and are subsequently measured at amortised cost using the effective interest method.

(ii) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within 12 months after the end of the reporting period are presented as current borrowings even though the original terms were for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period and before the financial statements are authorised for issue. Other borrowings due to be settled more than 12 months after the end of the reporting period are presented as non-current borrowings in the statements of financial position.

Derecognition of financial liabilities

The Group and the Company derecognise their financial liabilities when, and only when, the Group's and the Company's obligations are discharged or cancelled or expired. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

2.13 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised goods or service to customer, which is when the customer obtains control of the goods or services. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

The Group supplies equipment, spare parts and materials for the Printed Circuit Board ("PCB") and semiconductor industries as well as rendering services such as PCB drilling, PCB mass lamination and repair and maintenance of machines.

2. Summary of significant accounting policies (Continued)

2.13 Revenue recognition (Continued)

(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, PCB mass lamination 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.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. There is no element of significant financing component in the Group's revenue transactions with customers. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

2.14 Grants

Grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grants relate to expenditures, the fair value of grants are credited to profit or loss as and when the underlying expenses are included and recognised in profit or loss to match such related expenditures.

2.15 Leases

Group and Company as lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of twelve months or less.

The payments for leases of low value assets and short-term leases are recognised as an expense on a straight-line basis over the lease term.

2. Summary of significant accounting policies (Continued)

2.15 Leases (Continued)

Group and Company as lessee (Continued)

Initial measurement

Leases are recognised as right-of-use assets and corresponding lease liabilities at the date of which the leased assets are available for use by the Group and the Company. Each lease payment is allocated between the lease liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on their remaining balance of the liability for each period.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's and the Company's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if it is depending on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying amount of lease liabilities also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group and the Company if it is reasonably certain to assess that option; and
- any penalties payables for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of lease liabilities, reduced by any lease incentives received and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group and the Company are contractually required to dismantle, remove or restore the leased asset.

The Group and the Company present the right-of-use assets and lease liabilities separately from other assets and other liabilities in the statements of financial position.

2. Summary of significant accounting policies (Continued)

2.15 Leases (Continued)

Group and Company as lessee (Continued)

Subsequent measurement

Right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment loss and, if applicable, adjusted for any remeasurement of the lease liabilities. The right-of-use assets under cost model are depreciated on a straight-line basis over the shorter of either the remaining lease term or the remaining useful life of the right-of-use assets. If the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects that the Group and the Company will exercise the purchase option, the right-of-use assets are depreciated over the useful life of the underlying asset. Right-of-use assets are depreciated to profit or loss using the straight-line method over the remaining lease term of office, factory premises and office equipment on the following bases:

Office and factory premises	-	2 to 9.25 years
Office equipment	-	5 years

The carrying amount of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate that the right-of-use assets may be impaired. The accounting policy on impairment is as described in Note 2.7 to the financial statements.

Subsequent to initial measurement, lease liabilities are adjusted to reflect interest charged at a constant periodic rate over the remaining lease liabilities, lease payment made and if applicable, account for any remeasurement due to reassessment or lease modifications.

After the commencement date, interest on the lease liabilities are recognised in profit or loss, unless the costs are eligible for capitalisation in accordance with other applicable standards.

When the Group and the Company revise their estimate of any lease term (i.e. probability of extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments over the revised term. The carrying amount of lease liabilities is similarly revised when the variable element of the future lease payment dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying amount of the right-of-use assets. If the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of lease liabilities, the remaining amount of the remeasurement is recognised directly in profit or loss.

When the Group and the Company renegotiate the contractual terms of a lease with the lessor, the accounting treatment depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;

- In all other cases where the renegotiation increases the scope of the lease (i.e. extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use being adjusted by the same amount, and

2. Summary of significant accounting policies (Continued)

2.15 Leases (Continued)

Group and Company as lessee (Continued)

Subsequent measurement (Continued)

- If the renegotiation results in a decrease in scope of the lease, both the carrying amount of the lease liability and right-of-use asset reduced by the same proportion to reflect the partial or full termination of the lease with any difference being recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the negotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For lease contracts that convey a right to use an identified asset and require services to be provided by the lessor, the Group and the Company have elected to account for the entire contract as a lease. The Group and the Company do not allocate any amount of contractual payments to, and account separately for, any services provided by the lessor as part of the contract.

2.16 Employee benefits

Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, 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.

The subsidiaries incorporated and operating in The People's Republic of China ("PRC") are required to provide certain staff pension benefits to their employees under existing PRC regulations. Pension contributions are provided at rates stipulated by PRC regulations and are contributed to a pension fund managed by government agencies, which are responsible for administering these amounts for the subsidiaries' employees. The above contributions are recognised as an expense in the period in which the related service is performed.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated undiscounted liability for annual leave expected to be settled wholly within 12 months after the end of reporting period as a result of services rendered by employees up to the end of the reporting period.

Provision for long service payment

One of the Group's subsidiaries participates in the Mandatory Provident Fund Scheme ("MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance. The MPF scheme is a defined contribution retirement plan administered by an independent corporate trustee. Under the MPF scheme, the Group and its eligible employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HKD30,000. Contributions to the plan vest immediately.

2. Summary of significant accounting policies (Continued)

2.17 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised as expenses in the profit or loss in the financial year in which they are incurred. Borrowing costs are recognised on a time-proportion basis in profit or loss using the effective interest method.

2.18 Income tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity, or in other comprehensive income.

Current income tax expense is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to income tax payable in respect of previous financial years. Taxable income differs from profit reported as profit or loss because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items of income or expenses that are not taxable or tax deductible.

Deferred tax is provided, using the balance sheet liability method, for temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is measured using the tax rates expected to be applied to the temporary differences when they are realised or settled, based on tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same tax authority and where there is intention to settle the current tax assets and liabilities on a net basis.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2. Summary of significant accounting policies (Continued)

2.19 Foreign currency transactions and translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollar using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, are recognised initially in other comprehensive income and accumulated in the Group's foreign exchange reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities) are taken to the foreign currency translation reserve. On disposal of a foreign operation, the accumulated foreign currency translation reserve relating to that operation is reclassified to profit or loss.

2.20 Segmental reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 24, including the factors used to identify the reportable segments and the measurement basis of segment information.

3. Critical accounting judgements and key sources of estimation uncertainty

3.1 Critical judgements made in applying the accounting policies

Management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year are discussed below:

(i) Impairment of property, plant and equipment

Management had carried out an impairment assessment to assess whether the recoverable amounts of property, plant and equipment are less than the carrying amounts using the fair value less costs of disposal method ("FVLCD"). The estimation of FVLCD of property, plant and equipment involved significant judgements made for plant and machinery using the recent selling price for similar used machines as a proxy, which were analysed by model, age and functionality.

The impairment assessment by management led to an impairment loss of property, plant and equipment of approximately $2,859,000 (2020: $1,144,000) charged to profit or loss during the financial year. As at 31 December 2021, the carrying amounts of the Group's and the Company's property, plant and equipment were approximately $5,798,000 and $5,000 (2020: $8,979,000 and $Nil) respectively.

(ii) Allowance for obsolete inventories

Inventories are stated at the lower of cost and net realisable value. The management estimates the net realisable value of inventories based on assessment of receipt or committed sales prices and provides for slow moving and obsolete inventories based on historical and estimated future demand, recent sales activities, related margin and market positioning of the products. However, factors beyond its control, such as demand levels and pricing competition, could change from period to period. Such factors may require the Group and the Company to reduce the value of their inventories. The carrying amounts of the Group's and the Company's inventories as at 31 December 2021 were approximately $2,661,000 and $260,000 (2020: $3,398,000 and $248,000) respectively.

(iii) Expected credit losses ("ECL") for trade receivables

Management applied the "simplified approach" for assessing ECL for trade receivables from third parties. Under the simplified approach, the management developed a provision matrix using historical credit loss rates adjusted with forward looking information to reflect the effects of the current and future economic conditions and customers' country credit rating.

The carrying amounts of the Group's and the Company's trade receivables as at 31 December 2021 were approximately $9,996,000 and $1,957,000 (2020: $12,533,000 and $1,645,000) respectively.

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(iv) Impairment of investments in subsidiaries

The Company follows the guidance of SFRS(I) 1-36 *Impairment of Assets*, in determining whether investments in subsidiaries are impaired. This determination requires significant judgements and assumptions. The Company evaluates, among other factors, the duration and extent to which the recoverable amount of an investment is less than its carrying amount, the financial health and near-term business outlook of the investments, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets are determined using the FVLCD method. The Company's carrying amount of investments in subsidiaries as at 31 December 2021 was approximately $16,281,000 (2020: $17,748,000) and an allowance for impairment loss on investments in subsidiaries of approximately $1,467,000 (2020: $15,918,000) was recognised during the financial year in the Company's profit or loss.

4. Revenue

	Equipment and supplies		Manufacturing and support services		Total revenue	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group						
Primary geographical markets						
Singapore	6,700	6,020	1,140	979	7,840	6,999
The People's Republic of China	22,358	15,344	10,426	16,353	32,784	31,697
Others	1,302	1,139	856	1,251	2,158	2,390
	30,360	22,503	12,422	18,583	42,782	41,086
Timing of transfer of goods or service						
Point in time	30,360	22,503	11,084	16,970	41,444	39,473
Over time	–	–	1,338	1,613	1,338	1,613
	30,360	22,503	12,422	18,583	42,782	41,086

5. (a) Other income

	Group	
	2021	**2020**
	$'000	**$'000**
Foreign exchange (loss)/gain, net	(263)	527
Interest income from financial institutions	85	52
Income from scrap sales	389	624
Government grants	58	514
Rent concession granted	31	48
Gain on disposal of property, plant and equipment	16	64
Reversal of allowance for expected credit losses – third party trade receivables	35	–
Recovery of non-trade debt previously written off	346	–
Sundry income	109	228
	806	2,057

Government grants are mainly related to Job Support Scheme ("JSS") (2020: JSS and Employment Support Scheme) announced by the Singapore (2020: Singapore and Hong Kong) government to provide wage support to employers during the Covid-19.

Rent concession is received from landlords due to the Covid-19.

During the financial year, the Group recovered a non-trade debt of approximately $346,000 (equivalent to HK$2 million) with respect to amount owed by Jadason Technology Limited, a former subsidiary of the Group, which was previously written off in full.

(b) Other expenses

	Group	
	2021	**2020**
	$'000	**$'000**
Impairment loss on property, plant and equipment	(2,859)	(1,144)

6. Finance costs

	Group	
	2021	**2020**
	$'000	**$'000**
Interest expense:		
- Bank borrowings	60	36
- Lease liabilities	713	815
- Trust receipts	48	57
	821	908

7. Loss before income tax

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

	Group 2021 $'000	Group 2020 $'000
Depreciation of right-of-use assets	2,733	2,739
Depreciation of property, plant and equipment	895	1,027
Write-off of property, plant and equipment	23	11
Amortisation of right-of-use assets - land use rights	18	17
Directors' fees	175	150
Write-back of allowance for inventories obsolescence	(20)	(399)
Allowance for inventories obsolescence	699	124
Bad debts written off	–	26
Lease expenses - short term leases and low value assets	88	88
Audit fees:		
- auditors of the Company	60	60
- other auditors	148	142
Non-audit fees:		
- auditors of the Company	–	–
- other auditors	4	5

The loss before income tax also includes:

	Group 2021 $'000	Group 2020 $'000
Employee benefits expenses:		
- salaries and other short term benefits	8,152	8,496
- defined contribution plans	1,030	559
	9,182	9,055

The above includes the amounts shown as key management personnel remuneration (excludes Directors' fees) as disclosed in Note 23 to the financial statements.

8. Income tax expense

	Group	
	2021	2020
	$'000	$'000
Current income tax:		
- current financial year	–	144
- under provision in prior financial years	11	28
	11	172
Withholding tax:		
- paid on services rendered to overseas customers	–	1
Total income tax expense recognised in profit or loss	11	173

The corporate income tax rate applicable to the Company was 17% (2020: 17%). The corporate income tax rates applicable to The People's Republic of China, Malaysia and Hong Kong subsidiaries of the Group were 25% (2020: 25%), 24% (2020: 24%) and 16.5% (2020: 16.5%) respectively.

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2020: 17%) to loss before income tax as a result of the following differences:

	Group	
	2021	2020
	$'000	$'000
Loss before income tax	(10,625)	(3,903)
Tax at Singapore statutory income tax rate of 17% (2020: 17%)	(1,806)	(664)
Tax effects of expenses not deductible for income tax purposes	953	242
Tax effect of income not subject to tax	(106)	(215)
Deferred tax assets not recognised	2,002	1,131
Utilisation of deferred tax assets previously not recognised	(196)	(37)
Differences in tax rates of other countries	(847)	(317)
Under provision of current income tax in prior financial years	11	28
Others	–	5
Total income tax expense recognised in profit or loss	11	173

Unrecognised deferred tax assets are attributable to:

	Group	
	2021	2020
	$'000	$'000
Unutilised tax losses	7,927	6,152
Unabsorbed capital allowances	23	21
	7,950	6,173

8. Income tax expense (Continued)

As at 31 December 2021, the Group has unutilised tax losses and unabsorbed capital allowances amounting to approximately $40,005,000 and $122,000 (2020: $32,749,000 and $111,000) respectively available for set-off against future taxable profits for which no deferred tax is recognised due to uncertainty of its recoverability. The use 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.

The total unutilised tax losses of the subsidiaries in the jurisdiction of The People's Republic of China amounting to approximately $12,328,000 (2020: $5,368,000) 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	
	2021	**2020**
	$'000	**$'000**
2021	–	500
2022	271	271
2023	676	676
2024	2,353	2,353
2025	1,568	1,568
2026	7,460	–
	12,328	5,368

9. 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	
	2021	**2020**
Loss for the financial year attributable to owners of the Company used in computation of basic and diluted loss per share ($'000)	(10,636)	(4,076)
Weighted average number of ordinary shares for basic and diluted earnings per share computation ('000)	722,395	722,395
Loss per share (in cents):		
- Basic and diluted	(1.47)	(0.56)

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 2021 and 31 December 2020 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.

10. 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
Group						
Cost						
At 1 January 2021	2,146	10,329	2,907	1,513	97,163	114,058
Additions	97	98	18	–	–	213
Disposals	–	–	–	(91)	(595)	(686)
Write-off	–	(4)	(37)	–	(599)	(640)
Currency translation adjustment	122	606	56	41	4,947	5,772
At 31 December 2021	2,365	11,029	2,944	1,463	100,916	118,717
Accumulated depreciation and impairment loss						
At 1 January 2021	1,621	9,794	2,907	1,398	89,359	105,079
Depreciation for the financial year	126	219	6	17	527	895
Impairment loss for the financial year	–	–	–	–	2,859	2,859
Disposals	–	–	–	(87)	(536)	(623)
Write-off	–	(4)	(37)	–	(576)	(617)
Currency translation adjustment	78	513	56	39	4,640	5,326
At 31 December 2021	1,825	10,522	2,932	1,367	96,273	112,919
Net carrying amount						
At 31 December 2021	540	507	12	96	4,643	5,798

10. 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
Group						
Cost						
At 1 January 2020	2,028	9,697	2,806	1,445	92,691	108,667
Additions	–	170	58	36	1	265
Disposals	–	(121)	–	–	(380)	(501)
Write-off	–	(1)	(7)	–	(18)	(26)
Currency translation adjustment	118	584	50	32	4,869	5,653
At 31 December 2020	2,146	10,329	2,907	1,513	97,163	114,058
Accumulated depreciation and impairment loss						
At 1 January 2020	1,425	9,011	2,783	1,300	83,781	98,300
Depreciation for the financial year	127	276	7	30	587	1,027
Impairment loss for the financial year	–	163	63	42	876	1,144
Disposals	–	(121)	–	–	(380)	(501)
Write-off	–	(1)	(7)	–	(7)	(15)
Currency translation adjustment	69	466	61	26	4,502	5,124
At 31 December 2020	1,621	9,794	2,907	1,398	89,359	105,079
Net carrying amount						
At 31 December 2020	525	535	–	115	7,804	8,979

10. Property, plant and equipment (Continued)

	Leasehold improvements $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Plant and machinery $'000	Total $'000
Company					
Cost					
At 1 January 2021	160	734	356	981	2,231
Additions	–	6	–	–	6
Write-off	–	(1)	–	–	(1)
At 31 December 2021	160	739	356	981	2,236
Accumulated depreciation and impairment loss					
At 1 January 2021	160	734	356	981	2,231
Depreciation for the financial year	–	1	–	–	1
Write-off	–	(1)	–	–	(1)
At 31 December 2021	160	734	356	981	2,231
Net carrying amount					
At 31 December 2021	–	5	–	–	5
Cost					
At 1 January 2020	160	695	320	993	2,168
Additions	–	44	36	–	80
Disposals	–	–	–	(12)	(12)
Write-off	–	(5)	–	–	(5)
At 31 December 2020	160	734	356	981	2,231
Accumulated depreciation and impairment loss					
At 1 January 2020	159	665	320	993	2,137
Depreciation for the financial year	1	22	5	–	28
Impairment loss for the financial year	–	52	31	–	83
Disposals	–	–	–	(12)	(12)
Write-off	–	(5)	–	–	(5)
At 31 December 2020	160	734	356	981	2,231
Net carrying amount					
At 31 December 2020	–	–	–	–	–

10. Property, plant and equipment (Continued)

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 amounts of its property, plant and equipment. As at 31 December 2021, due to the unfavorable market conditions in the PCB and semiconductor industries, the management determined the recoverable amounts of the property, plant and machinery using the FVLCD method. For this purpose, the management had used the recent selling price for similar machines as a proxy and made adjustments to the model, age and functionality of the machines. The review led to the recognition of an impairment loss on property, plant and equipment of $2,859,000 in “Other expenses” (Note 5) line item of profit or loss for the year under review.

As at 31 December 2020, the recoverable amount of the property, plant and equipment for CGUs with indications of impairment had been determined based on its value-in-use calculations using the following key assumptions:

	Group 2020 %
Discount rate	12.1
Revenue growth rate	-9 to 40
Gross profit margin	7 to 28

Following the review, an impairment loss on property, plant and equipment of $1,144,000 was recognised in “Other expenses” (Note 5) line item of profit or loss for the financial year ended 31 December 2020.

Leasehold building

Details of the leasehold building held by the Group as at 31 December 2021 and 31 December 2020 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^2	Lease term of 45.5 years from October 2004

11. Right-of-use assets – land use rights

	Group	
	2021	**2020**
	$'000	**$'000**
Cost		
At 1 January	688	657
Currency translation adjustment	32	31
At 31 December	720	688
Accumulated amortisation		
At 1 January	282	253
Amortisation for the financial year	18	17
Currency translation adjustment	13	12
At 31 December	313	282
Net carrying amount		
At 31 December	407	406
Amount to be amortised:		
- Not later than one financial year	18	17
- Later than one financial year but not later than five financial years	72	68
- Later than five financial years	317	321

The Group has land use rights over a plot of state-owned land in The People's Republic of China where Jadason Electronics (Suzhou) Co., Ltd resides. The land use rights are transferable and have a remaining tenure of 28.5 years (2020: 29.5 years).

12. Leases

As a lessee, the Group has lease contracts for office, factory premises and office equipment. These leases have lease terms of 2 to 9.25 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.

12. 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 2021 and 31 December 2020:

	Office and factory premises $'000	Office equipment $'000	Total $'000
Group			
At 1 January 2021	11,022	4	11,026
Additions	226	–	226
Lease termination	(12)	–	(12)
Depreciation for the financial year	(2,729)	(4)	(2,733)
Currency translation adjustment	462	–	462
At 31 December 2021	8,969	–	8,969
At 1 January 2020	12,965	7	12,972
Additions	608	–	608
Lease termination	(400)	–	(400)
Depreciation for the financial year	(2,736)	(3)	(2,739)
Currency translation adjustment	585	–	585
At 31 December 2020	11,022	4	11,026
Company			
At 1 January 2021	519	4	523
Depreciation for the financial year	(151)	(4)	(155)
At 31 December 2021	368	–	368
At 1 January 2020	86	7	93
Additions	608	–	608
Depreciation for the financial year	(175)	(3)	(178)
At 31 December 2020	519	4	523

12. Leases (Continued)

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the financial years ended 31 December 2021 and 31 December 2020:

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
At 1 January	12,469	13,928	534	84
Additions	226	608	–	608
Lease termination	(12)	(400)	–	–
Accretion of interest	713	815	23	19
Rent concession granted	(31)	(48)	(6)	(24)
Lease payments:				
- principal portion	(2,581)	(2,297)	(141)	(134)
- interest portion	(713)	(815)	(23)	(19)
Currency translation adjustment	546	678	–	–
At 31 December	10,617	12,469	387	534
Presented in statements of financial position:				
- current	2,762	2,463	158	147
- non-current	7,855	10,006	229	387
	10,617	12,469	387	534

The lease liabilities are denominated in the following currencies:

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Singapore Dollar	387	534	387	534
Renminbi	10,052	11,857	–	–
Hong Kong Dollar	145	62	–	–
Malaysian Ringgit	13	16	–	–
Thailand Baht	20	–	–	–
	10,617	12,469	387	534

As at 31 December 2021, the Group's and the Company's average incremental borrowing rate are 6.10% and 5% (2020: 6.10% and 5%) respectively.

12. Leases (Continued)

(c) Total cash outflow

The Group had total cash outflows for leases of $3,294,000 (2020: $3,112,000) for the financial year ended 31 December 2021. The Group also had total cash outflow relating to short-term leases and low value leases of $88,000 (2020: $88,000). Non-cash additions to right-of-use assets and lease liabilities amounted to $226,000 (2020: $608,000) for the financial year ended 31 December 2021. 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. Management exercises significant judgement in determining whether these termination options are reasonably certain not to be exercised and the likelihood of extension options to be exercised.

13. Investments in subsidiaries

	Company	
	2021	**2020**
	$'000	**$'000**
Unquoted equity investments, at cost	57,211	57,211
Impairment loss on investment in subsidiaries	(40,930)	(39,463)
	16,281	17,748

Movement in allowance for impairment loss was as follows:

	Company	
	2021	**2020**
	$'000	**$'000**
Balance at beginning of financial year	39,463	23,545
Impairment loss for the financial year	1,467	15,918
Balance at end of financial year	40,930	39,463

13. Investments in subsidiaries (Continued)

Details of subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Proportion of ownership interest 2021 %	2020 %
Held by the Company				
Jadason Enterprises (HK) Limited [(1)]	Hong Kong	Distribution of equipment and supplies and provision of support services to the PCB and semiconductor industries.	100	100
Jadason Engineering Sdn Bhd [(2)]	Malaysia	Provision of resharpening services and distribution of supplies to the PCB industry.	100	100
Jadason Enterprises (Thailand) Limited [(3)]	Thailand	Installation of machines and provision of support services to the PCB and semiconductor industries.	100	100
Jadason Electronics (Suzhou) Co., Ltd [(4),(8)]	The People's Republic of China	Manufacturing, trading and provision of services to the PCB and semiconductor industries.	100	100
Jadason Scientific (Shanghai) Co., Ltd [(5),(8)]	The People's Republic of China	Trading and distribution of equipment, supplies and materials to the PCB industry.	100	100
Jadason Enterprises (Japan) Limited [(6)]	Japan	Provision of sales support and procurement services.	100	100
Jadason PCB Materials (Dongguan) Ltd [(7),(8)]	The People's Republic of China	Mass lamination of printed circuit boards.	100	100
Jadason Electronics (Dongguan) Ltd [(7),(8)]	The People's Republic of China	Provision of drilling services to the PCB and semiconductor industries.	100	100
Jadason Scientific (Dongguan) Ltd [(7)]	The People's Republic of China	Assembly of laser photoplotters, exposure machines and other PCB equipment for the PCB industry.	100	100
Infinite Graphics Pte Ltd [(9)]	Singapore	Trading of large format photo masks. The company had been dormant and has been struck off.	–	100

13. Investments in subsidiaries (Continued)

Details of subsidiaries are as follows: (Continued)

Name	Country of incorporation	Principal activities	Proportion of ownership interest 2021 %	2020 %
Held by Jadason Enterprises (HK) Limited				
Jadason Test Limited [(10)]	Hong Kong	Provision of machinery installation and maintenance services for PCB manufacturers. The company is dormant.	100	100
CymbolicTech Company Limited [(10)]	Hong Kong	Manufacturing and trading of machinery. The company is dormant.	100	100
Jadason Microelectronics (Dongguan) Ltd [(7),(8)]	The People's Republic of China	Provision of drilling services to the PCB and semiconductor industries.	100	100
Held by CymbolicTech Company Limited				
Jadason Electronics Equipment (Dongguan) Ltd [(11)]	The People's Republic of China	Production and distribution of wet process equipment. The company is dormant and has applied for de-registration.	100	100
Held by Jadason Test Limited				
Jadason Test (Suzhou) Limited [(4)]	The People's Republic of China	Provision of testing services for printed circuit boards. The company is dormant.	100	100

(1) Audited by BDO Limited, Hong Kong

(2) Audited by BDO PLT, Malaysia

(3) Audited by KT&R Associate Partnership, Thailand

(4) Audited by Suzhou Lixin Certified Public Accountants Co., Ltd.

(5) Audited by Shanghai Nexia TS Certified Public Accountants for statutory audit

(6) Not required to be audited by the law of country of incorporation

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

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

(9) Not audited. The company was struck off during the financial year

(10) Audited by CK Yau & Partners CPA Limited, Hong Kong

(11) Not audited. The company has applied for de-registration

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. The management has identified each subsidiary as one CGU.

13. 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 and semiconductor industries, the management carried out impairment testing for the identified CGUs. As at 31 December 2021, the recoverable amounts of the CGUs were based on the FVLCD method. The review led to an impairment loss of approximately $1,467,000 (2020: $15,918,000) in respect of three CGUs (2020: 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	
		2021 $'000	2020 $'000	2021 $'000	2020 $'000
CGU A	Jadason Electronics (Dongguan) Ltd	3,824	4,316	492	11,805
CGU B	Jadason PCB Materials (Dongguan) Ltd	1,954	2,838	884	4,009
CGU C	Jadason Engineering Sdn Bhd	424	515	91	104

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

Significant restrictions

Cash and cash equivalents of $9,923,000 (2020: $8,479,000) 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.

14. Inventories

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Raw materials	1,881	2,938	–	–
Finished goods	780	460	260	248
	2,661	3,398	260	248

	Group	
	2021 $'000	2020 $'000
Consolidated statement of comprehensive income:		
Inventories recognised as an expense in cost of sales inclusive of the following charge:	32,607	25,921
- Write-back of allowance for inventories obsolescence	(20)	(399)
- Allowance for inventories obsolescence	699	124

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

15. Trade and other receivables

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Trade receivables	10,491	13,216	1,987	1,675
Less: Allowance for expected credit losses	(495)	(683)	(30)	(30)
	9,996	12,533	1,957	1,645
Bills receivables	1,964	6,706	–	–
Non-trade amount due from subsidiaries	–	–	3,414	3,674
Less: Allowance for impairment loss on amount due from subsidiaries	–	–	(3,393)	(3,653)
Deposits	87	98	40	40
Advance payment to suppliers	126	1,279	126	–
Other receivables	912	429	5	–
Total trade and other receivables	13,085	21,045	2,149	1,706
Add: Cash and cash equivalents (Note 16)	17,700	15,353	1,691	2,384
Less: Advance payment to suppliers	(126)	(1,279)	(126)	–
Total financial assets carried at amortised cost	30,659	35,119	3,714	4,090

Trade receivables are unsecured, non-interest bearing and generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. Included in trade receivables are unbilled sales amounting to $2,956,000 (2020: $5,636,000), 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.

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

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

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
At 1 January	683	683	30	30
Reversal of loss allowance	(35)	–	–	–
Receivables written off as uncollectible	(153)	–	–	–
At 31 December	495	683	30	30

15. Trade and other receivables (Continued)

During the financial year, trade receivables of $153,000 (2020: $Nil) are written off as there is no reasonable expectation of recovery.

The movements of the allowance for impairment loss on amounts due from subsidiaries are as follows:

	Company	
	2021	**2020**
	$'000	**$'000**
At 1 January	3,653	7,926
Receivables written off as uncollectible	–	(4,570)
Loss allowance (reversed)/recognised during the financial year	(62)	297
Currency translation adjustment	(198)	–
At 31 December	3,393	3,653

During the financial year, reversal of loss allowance of $62,000 was recognised subsequent to a debt recovered.

In the previous financial year, following the review of recoverability by the management on the amounts owing by subsidiaries, an impairment loss of $297,000 was recognised due to the unfavorable market conditions in the PCB market that continued to affect the revenue, profitability and prospect of the subsidiaries. Additionally, an amount of $4,570,000 was written off against the allowance for impairment loss previously made as a subsidiary had applied for striking off.

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Singapore Dollar	285	501	276	352
United States Dollar	1,990	2,137	1,734	1,335
Japanese Yen	887	1,345	128	–
Euro	867	86	3	9
Hong Kong Dollar	468	82	–	–
Renminbi	8,327	16,565	–	–
Malaysian Ringgit	64	74	–	–
Others	197	255	8	10
	13,085	21,045	2,149	1,706

16. Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Cash at banks and on hand	16,687	15,353	1,691	2,384
Bank deposits	1,013	–	–	–
	17,700	15,353	1,691	2,384

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.001% to 1.40% (2020: 0.001% to 1.40%) per annum.

Bank deposits with financial institutions earn interest at 0.02% to 0.10% (2020: Nil%) per annum with tenure of less than one month.

Cash and cash equivalents of the Group and Company are denominated in the following currencies:

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Singapore Dollar	224	1,760	224	1,760
United States Dollar	5,115	1,074	1,246	453
Japanese Yen	1,297	3,106	75	5
Euro	528	209	29	49
Hong Kong Dollar	221	184	1	2
Renminbi	10,001	8,552	74	70
Malaysian Ringgit	37	123	–	–
Others	277	345	42	45
	17,700	15,353	1,691	2,384

17. Trade and other payables

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Trade payables				
- third parties	6,546	9,181	2,029	1,588
- subsidiaries	–	–	351	345
Advances from customers	3,981	1,733	212	7
Non-trade amount due to subsidiaries	–	–	7,019	6,895
Other payables	950	1,092	47	50
Accrued operating expenses	1,509	1,634	444	416
Total trade and other payables	12,986	13,640	10,102	9,301
Add:				
Lease liabilities (Note 12(b))	10,617	12,469	387	534
Trust receipts (Note 18)	1,920	1,746	1,920	1,746
Bank borrowings (Note 19)	1,921	2,000	1,921	2,000
Less:				
Advances from customers	(3,981)	(1,733)	(212)	(7)
Financial liabilities carried at amortised cost	23,463	28,122	14,118	13,574

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	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Singapore Dollar	511	537	1,416	1,400
United States Dollar	5,622	1,659	6,712	6,014
Japanese Yen	1,119	4,918	514	365
Euro	980	292	47	127
Hong Kong Dollar	154	165	1,181	1,167
Renminbi	4,459	5,882	55	53
Malaysian Ringgit	39	72	–	–
Others	102	115	177	175
	12,986	13,640	10,102	9,301

18. Trust receipts

Group and Company

Trust receipts have a maturity period of 120 days (2020: 120 days) with interest rates of between 2.91% to 3.03% (2020: 2.97% to 3.00%) per annum.

Trust receipts are denominated in United States Dollar.

19. Bank borrowings

	Group and Company	
	2021	**2020**
	$'000	**$'000**
Current		
Term loan (unsecured)	480	83
Non-current		
Term loan (unsecured)	1,441	1,917
	1,921	2,000

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% (2020: 3%) per annum.

The fair values of the Group's and the Company's 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.

20. Provision for long service payment

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.

	Group	
	2021	**2020**
	$'000	**$'000**
At beginning of financial year	159	161
Currency translation adjustment	2	(2)
At end of financial year	161	159

21. Share capital and treasury shares

(a) *Share capital*

	Group and Company			
	2021		2020	
	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			
	2021		2020	
	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.

22. Reserves

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Foreign currency translation reserve	(2,206)	(3,773)	(92)	(87)
Reserve and enterprise expansion funds	5,711	5,711	–	–
Accumulated losses	(32,526)	(21,890)	(43,337)	(40,733)
	(29,021)	(19,952)	(43,429)	(40,820)

22. Reserves (Continued)

(a) Foreign currency translation reserve

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
At 1 January	(3,773)	(4,849)	(87)	(81)
Exchange differences on translating foreign operations	1,567	1,076	(5)	(6)
At 31 December	(2,206)	(3,773)	(92)	(87)

The foreign currency translation reserve 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 presentation currency.

(b) Reserve and enterprise expansion funds

	Group	
	2021	**2020**
	$'000	**$'000**
At 1 January and 31 December	5,711	5,711

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.

23. 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	
	2021	2020
	$'000	$'000
Purchase of goods from subsidiaries	18	20
Sales of goods to subsidiaries	43	21
Advances from a subsidiary	–	1,944
Advances to a subsidiary	–	110

The outstanding balances as at 31 December 2021 and 2020 in respect of the above transactions with related parties are disclosed in Notes 15 and 17 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 2021 and 31 December 2020 were as follows:

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Short-term employment benefits	1,182	1,158	671	649
Defined contribution plans	33	35	27	29
	1,215	1,193	698	678
Comprise amounts paid to:				
Directors	774	771	257	256
Other key management personnel	441	422	441	422
	1,215	1,193	698	678

24. 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, PCB drilling services and PCB mass lamination 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.

The accounting policies of the operating segments are the same of those described in the summary of significant accounting policies Note 2.20. 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.

24. Segment information (Continued)

	Equipment and supplies $'000	Manufacturing and support services $'000	Total $'000
2021			
Revenue			
- External sales	30,360	12,422	42,782
Total	30,360	12,422	42,782
Results			
Adjusted EBITDA*	107	(3,491)	(3,384)
Interest income	11	74	85
Depreciation of property, plant and equipment	(17)	(878)	(895)
Depreciation of right-of-use assets	(210)	(2,523)	(2,733)
Amortisation of right-of-use assets - land use rights	–	(18)	(18)
Impairment loss on property, plant and equipment	–	(2,859)	(2,859)
Operating loss	(109)	(9,695)	(9,804)
Interest expense	(110)	(711)	(821)
Loss before income tax	(219)	(10,406)	(10,625)
Income tax expense	(1)	(10)	(11)
Loss for the financial year	(220)	(10,416)	(10,636)
Assets/Liabilities			
Segment assets	14,507	34,324	48,831
Segment liabilities	13,513	14,449	27,962
Other segment information			
Purchase of property, plant and equipment	18	195	213
Addition of right-of-use assets	174	52	226
Other non-cash items:			
Write-back of allowance for inventories obsolescence	(11)	(9)	(20)
Allowance for inventories obsolescence	–	699	699

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

24. Segment information (Continued)

	Equipment and supplies $'000	Manufacturing and support services $'000	Total $'000
2020			
Revenue			
- External sales	22,503	18,583	41,086
Total	22,503	18,583	41,086
Results			
Adjusted EBITDA*	279	1,601	1,880
Interest income	15	37	52
Depreciation of property, plant and equipment	(36)	(991)	(1,027)
Depreciation of right-of-use assets	(186)	(2,553)	(2,739)
Amortisation of right-of-use assets - land use rights	–	(17)	(17)
Impairment loss on property, plant and equipment	(46)	(1,098)	(1,144)
Operating profit/(loss)	26	(3,021)	(2,995)
Interest expense	(100)	(808)	(908)
Loss before income tax	(74)	(3,829)	(3,903)
Income tax expense	(1)	(172)	(173)
Loss for the financial year	(75)	(4,001)	(4,076)
Assets/Liabilities			
Segment assets	14,222	46,158	60,380
Segment liabilities	13,260	17,182	30,442
Other segment information			
Purchase of property, plant and equipment	80	185	265
Addition of right-of-use assets	608	–	608
Other non-cash items:			
Write-back of allowance for inventories obsolescence	(3)	(396)	(399)
Allowance for inventories obsolescence	7	117	124

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

24. 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	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Singapore	7,840	6,999	373	523
The People's Republic of China including Hong Kong	32,784	31,697	14,611	19,573
Others	2,158	2,390	190	315
	42,782	41,086	15,174	20,411

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 approximately $25,868,000 (2020: $15,515,000) are derived from three (2020: two) external customers. These revenues are attributable to equipment and supplies segment and manufacturing and support services segment of $20,399,000 and $5,469,000 respectively (2020: equipment and supplies segment and manufacturing and support services segment of $3,178,000 and $12,337,000 respectively).

25. 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.

25.1 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.

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

25.1 Credit risk (Continued)

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.

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 categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 365 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

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 held cash and cash equivalents of $17,700,000 and $1,691,000 (2020: $15,353,000 and $2,384,000) respectively as at 31 December 2021. The cash and cash equivalents are held with banks and financial institutions with 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

The Group and the Company provide for lifetime expected credit losses for all trade receivables using a provision matrix. 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:

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

25.1 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
31 December 2021						
Gross carrying amount	7,481	328	157	91	214	8,271
Allowance for expected credit losses	(238)	(5)	(3)	(1)	(92)	(339)
Credit impaired	–	–	–	–	(116)	(116)
	7,243	323	154	90	6	7,816
31 December 2020						
Gross carrying amount	9,867	201	260	430	408	11,166
Allowance for expected credit losses	(238)	(5)	(3)	(1)	(92)	(339)
Credit impaired	–	–	–	–	(304)	(304)
	9,629	196	257	429	12	10,523

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
31 December 2021						
Gross carrying amount	1,869	257	36	50	8	2,220
Allowance for expected credit losses	(25)	(6)	(2)	(1)	(6)	(40)
	1,844	251	34	49	2	2,180
31 December 2020						
Gross carrying amount	1,555	319	131	19	26	2,050
Allowance for expected credit losses	(25)	(6)	(2)	(1)	(6)	(40)
	1,530	313	129	18	20	2,010

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

25.1 Credit risk (Continued)

Trade receivables (Continued)

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:

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
31 December 2021						
Gross carrying amount	1,688	213	33	46	7	1,987
Allowance for expected credit losses	(11)	(11)	(2)	–	(6)	(30)
	1,677	202	31	46	1	1,957
31 December 2020						
Gross carrying amount	1,296	226	123	4	26	1,675
Allowance for expected credit losses	(11)	(11)	(2)	–	(6)	(30)
	1,285	215	121	4	20	1,645

Movement in allowance for expected credit losses for trade receivables are disclosed in Note 15 to the financial statements.

In the previous financial year, the Group wrote off $26,000 of trade receivables which were outstanding for more than 365 days past due as the Group did not expect to receive future cash flows from these debtors, and there were no recoveries from collection of cash flows previously written off.

Bills receivables

There is no allowance for expected credit losses arising from the bills receivables of $1,964,000 (2020: $6,706,000) as at 31 December 2021 as there is no recent history of default and are held with banks and financial institutions with high credit rating.

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

25.1 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			
	2021		2020	
	$'000	% of total	$'000	% of total
By country				
Singapore	1,677	17%	1,421	12%
The People's Republic of China including Hong Kong	7,816	78%	10,523	84%
Malaysia	289	3%	295	2%
Other countries	214	2%	294	2%
	9,996	100%	12,533	100%
By industry sector				
Equipment and supplies	5,298	53%	5,060	40%
Manufacturing and support services	4,698	47%	7,473	60%
	9,996	100%	12,533	100%

As at the end of the reporting period, 60% (2020: 51%) of the Group's trade receivables were due from three major customer groups who are located in China, Hong Kong and Singapore (2020: two major customer groups who are located in China). 60% (2020: 54%) of the Company's trade receivables were due from one customer.

25.2 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.

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

25.2 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	After five financial years $'000	Total $'000
Group				
31 December 2021				
Financial liabilities				
Trade and other payables	9,005	–	–	9,005
Trust receipts	1,920	–	–	1,920
Lease liabilities	3,486	10,009	–	13,495
Bank borrowings	531	1,505	–	2,036
Total undiscounted financial liabilities	14,942	11,514	–	26,456
31 December 2020				
Financial liabilities				
Trade and other payables	11,907	–	–	11,907
Trust receipts	1,746	–	–	1,746
Lease liabilities	3,303	11,659	1,075	16,037
Bank borrowings	139	2,036	–	2,175
Total undiscounted financial liabilities	17,095	13,695	1,075	31,865
Company				
31 December 2021				
Financial liabilities				
Trade and other payables	9,890	–	–	9,890
Trust receipts	1,920	–	–	1,920
Lease liabilities	174	238	–	412
Bank borrowings	531	1,505	–	2,036
Total undiscounted financial liabilities	12,515	1,743	–	14,258

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

25.2 Liquidity risk (Continued)

Contractual maturity analysis (Continued)

	Within one financial year $'000	After one financial year but within five financial years $'000	After five financial years $'000	Total $'000
Company				
31 December 2020				
Financial liabilities				
Trade and other payables	9,294	–	–	9,294
Trust receipts	1,746	–	–	1,746
Lease liabilities	170	412	–	582
Bank borrowings	139	2,036	–	2,175
Total undiscounted financial liabilities	11,349	2,448	–	13,797

25.3 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.

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

25.3 Foreign currency risk (Continued)

Foreign currency sensitivity analysis (Continued)

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	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Monetary assets				
United States dollar	7,106	3,211	2,981	1,788
Japanese yen	1,869	3,125	77	5
Monetary liabilities				
United States dollar	4,062	3,325	8,606	7,760
Japanese yen	631	3,430	328	359

The following table details the Group's and Company's sensitivity to a 4% (2020: 4%) change in United States dollar and Japanese yen against the functional currencies respectively. The sensitivity analysis assumes an instantaneous 4% (2020: 4%) 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	
	2021	**2020**
	$'000	**$'000**
Group		
United States dollar		
- Strengthens against functional currencies*	122	(5)
- Weakens against functional currencies*	(122)	5
Japanese yen		
- Strengthens against functional currencies#	50	(12)
- Weakens against functional currencies#	(50)	12
Company		
United States dollar		
- Strengthens against Singapore dollar	(225)	(239)
- Weakens against Singapore dollar	225	239
Japanese yen		
- Strengthens against Singapore dollar	(10)	(14)
- Weakens against Singapore dollar	10	14

* Primarily Singapore dollar and Hong Kong dollar

\# Primarily Hong Kong dollar

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

25.4 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 21 and 22 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 2021 and 31 December 2020.

The Group and the Company are not subject to any externally imposed capital requirements for the financial years ended 31 December 2021 and 31 December 2020.

As disclosed in Note 22 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 2021 and 31 December 2020.

26. 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 19 to the financial statements.

27. Impact of Covid-19 on the Group's operations

The Covid-19 continues to disrupt economic activities in China, including lockdowns, mass testing, travel restrictions and other movement control measures. There are concerns that measures imposed by certain countries to combat the virus could cause delay in lead time and affect the orders for PCB equipment, supplies and services. Mutated coronavirus strains have also added uncertainties regarding the timing of economic recovery. To meet these challenges, the Group will focus on maintaining sufficient liquidity, cost controls, further improving productivity and exploring opportunities to diversify its revenue streams.

However, it is still difficult to accurately predict how the Covid-19 pandemic will continue to impact the Group's markets and business.

STATISTICS OF SHAREHOLDINGS

As at 18 March 2022

CLASS OF SHARES	**:**	**ORDINARY SHARES**
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	496	15.34	484,300	0.07
1,001 - 10,000	992	30.67	5,884,400	0.81
10,001 - 1,000,000	1,706	52.75	189,716,689	26.26
1,000,001 and above	40	1.24	526,309,611	72.86
Total	**3,234**	**100.00**	**722,395,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	Number of Shares	%
1.	CITIBANK NOMINEES SINGAPORE PTE LTD	238,105,000	32.96
2.	DBS NOMINEES (PRIVATE) LIMITED	73,428,700	10.16
3.	LIAW HIN HAO	66,300,000	9.18
4.	FUNG CHI WAI	32,700,000	4.53
5.	RAFFLES NOMINEES (PTE.) LIMITED	11,067,900	1.53
6.	YEO SENG BUCK	10,000,000	1.38
7.	HUI MIN LINNA	8,380,000	1.16
8.	MAYBANK SECURITIES PTE. LTD.	7,597,900	1.05
9.	OCBC SECURITIES PRIVATE LIMITED	5,311,011	0.74
10.	XAYABOUOSOU KHONESAVANE	5,151,000	0.71
11.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	4,834,700	0.67
12.	PHILLIP SECURITIES PTE LTD	4,731,200	0.65
13.	TAN ENG CHUA EDWIN	4,483,700	0.62
14.	UNION TOOL CO.	4,000,000	0.55
15.	IFAST FINANCIAL PTE. LTD.	3,931,900	0.54
16.	LIM TIONG CHUAN	3,610,100	0.50
17.	HSBC (SINGAPORE) NOMINEES PTE LTD	3,503,000	0.48
18.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	2,579,100	0.36
19.	LIEW SEUK ENG	2,537,700	0.35
20.	TAN KIAN CHUAN (CHEN JIANZHUAN)	2,200,000	0.30
	Total	**494,452,911**	**68.42**

STATISTICS OF SHAREHOLDINGS

As at 18 March 2022

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 18 March 2022, 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 by way of electronic means on Thursday, 28 April 2022 at 3.00 p.m. for the following purposes:

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 2021 together with the Auditors' Report thereon. **(Resolution 1)**

2. To note the retirement of Mr Teo Kiang Kok as Director of the Company who is retiring pursuant to Regulation 89 of the Constitution of the Company and will not be seeking for re-election.

   Upon the retirement of Mr Teo Kiang Kok, he will be relinquishing his position as Non-Independent and Non-Executive Director and a member of Remuneration Committee and Audit Committee.

3. 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 page 109 to page 114 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of Singapore Exchange Securities Trading Limited ("**SGX-ST")**. **(Resolution 2)**

4. To re-elect Mr Teng Cheong Kwee as Director of the Company retiring pursuant to Regulation 88 of the Constitution of the Company.

   Mr Teng Cheong Kwee will, upon his re-election as Director of the Company, remain as the Independent Director, Chairman of Nominating Committee and Remuneration Committee and a member of Audit Committee and will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to page 109 to page 114 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST. **(Resolution 3)**

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 4)**

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. To approve the payment of Directors' fees of S$175,000 for the financial year ended 31 December 2021 (previous year: S$150,000). **(Resolution 5)**
   [See Explanatory Note (i)]

8. **Authority to issue shares**

That pursuant to Section 161 of the Companies Act 1967 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 ("**shares**") 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 in pursuance of 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 subparagraph (1) above, the total number of issued shares 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 any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards, 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;

Adjustments in accordance with 8(2)(a) or 8(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

(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 6)**

[See Explanatory Note (ii)]

9. **Renewal of Share Buyback Mandate**

That for the purposes of Sections 76C and 76E of the Companies Act 1967, 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 7)

[See Explanatory Note (iii)]

By Order of the Board

Tan Kok Yong
Secretary
Singapore, 13 April 2022

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) The Company is seeking approval from the shareholders to approve the payment of Directors' fees of S$175,000 to Non-Executive Directors in accordance with the Constitution of the Company as a special business.

(ii) The Ordinary Resolution 6 proposed in item 8 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 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, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 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 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) The Ordinary Resolution 7 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 2021 are set out in greater detail in the Appendix.

Notes:

General

1. This AGM is being convened and will be held by way of electronic means pursuant to Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of AGM and appendix to this Notice of AGM - Appendix, the Proxy Form and the Annual Report FY2021 will not be sent to members. Instead, these documents will be published on the Company's website at the URL www.jadason.com and on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in this Notice of AGM.

3. Due to the current Covid-19 situation and the Company's efforts to minimise physical interactions and the transmission risk to a minimum, the AGM of the Company will be held by way of electronic means. Shareholders will not be able to attend the AGM in person. A member is encouraged to attend the AGM via live audio-visual webcast or live audio-only stream of the AGM ("**Live Webcast**"). Shareholders will be able to participate at the AGM by:

   (i) watching or listening to the AGM proceedings via Live Webcast;

   (ii) submitting questions in advance of the AGM; and/or

   (iii) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM.

   Please see below for these alternative arrangements.

Registration process for participation in the AGM via Live Webcast

4. Shareholders who wish to participate in the AGM proceedings through the Live Webcast via their mobile phones, tablets or computers must register for an account at https://conveneagm.sg/jadasonagm2022 by 3.00 p.m. on 26 April 2022 (the "**Registration Deadline**") to enable the Company to verify their status as shareholders.

5. Following the verification, authenticated shareholders will receive an email by 3.00 p.m. on 27 April 2022, and will be able to access the Live Webcast using the account created during the registration.

6. Shareholders who register by the Registration Deadline but do not receive an email response to access the Live Webcast by 3.00 p.m. on 27 April 2022 may contact the Share Registrar on the same date for assistance at shareregistry@incorp.asia, with the full name of the shareholder and his/her/its identification number.

7. Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), including CPF and SRS investors, and who wish to participate in the AGM by:

   (a) observing and/or listening to the AGM proceedings via Live Webcast;

   (b) submitting questions in advance of the AGM; and/or

   (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM.

   should contact the relevant intermediary (which would include, in the case of CPF and SRS investors 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.

Submission of questions prior to the AGM

8. Shareholders will not be able to ask questions during the Live Webcast. Shareholders may submit their questions relating to the items on the agenda of the AGM in advance by digital submission at https://conveneagm.sg/jadasonagm2022 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, **no later than 21 April 2022 at 9.00 a.m.** Please provide your full name as per CDP/CPF/SRS/Scrip-based account records, NRIC/Passport No./Company Registration No., contact number, current address, email address and number of shares held during submission for verification purpose.

9. The Company will endeavour to address the substantial and relevant queries from shareholders at least 48 hours prior to the closing date and time for the lodgment of the proxy forms. The Company is unable to take on questions through the Live Webcast proceedings. The minutes of the AGM will be published on the SGXNet and the Company's website within one (1) month after the conclusion of the AGM.

Voting by Proxy

10. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy, to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, such member (whether individual or corporate) is/are advised to specify his/her/its votes for the respective resolutions in the instrument appointing the Chairman of the Meeting as proxy ("**Proxy Form**"). The accompanying Proxy Form for the AGM will not be sent to members, but will be made available on the Company's website at the URL www.jadason.com and on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

11. A Member of the Company (including a Relevant Intermediary*) entitled to vote at the AGM must appoint the Chairman of the Meeting to act as proxy and direct the vote at the AGM.

12. The instrument appointing the Chairman of the Meeting as proxy must be deposited at the Registered Office of the Company at 3 Kaki Bukit Crescent, #03-01 Singapore 416237 or submitted digitally to https://conveneagm.sg/jadasonagm2022, **not later than 3.00 p.m. on 26 April 2022**, being forty-eight (48) hours before the time appointed for holding the AGM.

13. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the Chairman of the Meeting as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.

14. CPF or SRS Investors who wish 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.

15. Please note that shareholder WILL NOT be able to vote through the Live Webcast and CAN ONLY VOTE WITH THEIR PROXY FORMS which are required to be submitted in accordance with the foregoing paragraphs.

16. The Annual Report FY2021, Notice of AGM and Proxy Form may be accessed on the Company's website at the URL www.jadason.com and are also made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By pre-registering for the Live Webcast, submitting an instrument appointing the Chairman of the AGM as the proxy to attend 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 proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance 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.

IMPORTANT REMINDER: Due to the current Covid-19 situation in Singapore, the Company may be required to change its AGM arrangements at short notice. Shareholders should check the SGX website at the URL https://www.sgx.com/securities/company-announcements for the latest updates on the status of the AGM, if any.

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* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Cap. 19) 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 (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), 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.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Ms Linna Hui Min and Mr Teng Cheong Kwee are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 28 April 2022 (“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	Teng Cheong Kwee
Date of Appointment	26 March 2007	1 July 2021
Date of last re-appointment	29 June 2020	Not applicable
Age	65	68
Country of principal residence	Hong Kong	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	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. The Board has concluded that Ms Linna possesses the skill, experience and knowledge to manage the operations effectively.	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 Teng Cheong Kwee for appointment as non-Executive Director of the Company. The Board has concluded that Mr Teng possesses the qualifications, experience, expertise and his appointment is appropriate.
Whether appointment is executive, and if so, the area of responsibility	Executive Responsible for the daily operations and marketing activities in Hong Kong and China. Oversees the PCB mass lamination operations in Dongguan.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Executive Director	• Independent Non-Executive Director • Chairman of Nominating Committee • Chairman of Remuneration Committee • Member of Audit Committee
Professional Qualifications	• Bachelor of Science (Chemical Engineering)	• Bachelor of Engineering (Industrial) (Honours Class 1) • Bachelor of Commerce • Fellow of Singapore Institute of Directors

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Linna Hui Min	Teng Cheong Kwee
Working experience and occupation(s) during the past 10 years	Has experience in marketing, application and technical support. Oversees the PCB mass lamination operations. Director of Jadason Enterprises Ltd.	Served and serving as director of companies, including SGX-listed companies and unlisted companies.
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 8,380,000; See also page 36.	No; See also page 36.
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
Conflict of Interest (including any competing business)	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
Other Principal Commitments Including Directorships		
Past (for the last 5 years):	Nil	Director of: ● AEI Corporation Ltd ● AVIC International Maritime Holdings Ltd ● First Resources Ltd ● Kaixin Industrial Pte Ltd ● Memtech International Ltd ● Pheim Asset Management (Asia) Pte Ltd ● Techcomp (Holdings) Ltd
Present:	Nil	Director of: ● CEL Impetus Corporate Finance Pte Ltd ● Greenland (Singapore) Trust Management Pte Ltd ● Pheim Asean All-Cap Equity Fund ● Pheim SICAV/SIF Fund ● Pheim VCC ● T3Z Advisory & Consultancy Pte Ltd

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<table>
<tr><th colspan="2">Name of Director</th><th>Linna Hui Min</th><th>Teng Cheong Kwee</th></tr>
<tr><td colspan="4">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.</td></tr>
<tr><td>(a)</td><td>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?</td><td>No</td><td>No</td></tr>
<tr><td>(b)</td><td>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?</td><td>No</td><td>No</td></tr>
<tr><td>(c)</td><td>Whether there is any unsatisfied judgment against him?</td><td>No</td><td>No</td></tr>
<tr><td>(d)</td><td>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?</td><td>No</td><td>No</td></tr>
</table>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Linna Hui Min	Teng Cheong Kwee
(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 crimial proceedings of which he is aware) for such breach?	No	No
(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
(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
(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
(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

Name of Director	Linna Hui Min	Teng Cheong Kwee
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (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 (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 (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, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	**Linna Hui Min**	**Teng Cheong Kwee**
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of an issuer listed on the Exchange? 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).	Not applicable	No applicable

JADASON ENTERPRISES LTD

Company Registration No. 199003898K
(Incorporated in Singapore)

IMPORTANT:
1. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investors**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy.
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.

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:

	Proportion of Shareholdings	
Chairman of the Meeting	**No. of Shares**	**%**

as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held by way of electronic means on Thursday, 28 April 2022 at 3.00 p.m. and at any adjournment thereof. *I/We direct the Chairman of the Meeting to vote for, against or to abstain from voting the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the Chairman of the Meeting will vote or abstain from voting at his/her discretion.

No.	Resolutions relating to:	No. of votes 'For'#	No. of votes 'Against'#	No. of votes 'Abstain'#
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2021			
2	Re-election of Ms Linna Hui Min as a Director			
3	Re-election of Mr Teng Cheong Kwee as a Director			
4	Re-appointment of Messrs BDO LLP as the Auditors of the Company and authorisation for Directors to fix their remuneration			
5	Approval of Directors' fees amounting to S$175,000			
6	Authority to issue shares			
7	Renewal of Share Buyback Mandate			

 # If you wish to exercise all your votes 'For', 'Against' or to 'Abstain' from voting, please indicate with a tick (✓) 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 the Chairman of the Meeting 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 ________________ 2022

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:

Due to the current Covid-19 situation in Singapore, the Company is taking the relevant steps in accordance with the guidelines and measures announced by the government agencies to minimise the risk of spread of Covid-19. The Company may be required to change its Meeting arrangements at short notice. Shareholders are advised to check on the SGXNet at http://www.sgx.com/securities/company-announcements and the Company's website at www.jadason.com for any latest updates on changes.

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, Chapter 289 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. **In light of the current Covid-19 situation and the Company's efforts to minimise physical interactions and the transmission risk to a minimum, the AGM of the Company will be held by way of electronic means. Shareholders will not be able to attend the AGM in person. A member of the Company (including a Relevant Intermediary*) entitled to vote at the Meeting must appoint the Chairman of the Meeting to act as proxy and vote on his/her/its behalf at the Meeting.**

3. The instrument appointing the Chairman of the Meeting as the proxy must be deposited at the registered office of the Company at 3 Kaki Bukit Crescent #03-01 Singapore 416237 or submit digitally to https://conveneagm.sg/jadasonagm2022 by no later than 3.00 p.m. on 26 April 2022, being forty-eight (48) hours before the time appointed for the Meeting.

   In view of the current Covid-19 situation and the Company's efforts to minimise the risk of transmission, members are encouraged to submit the completed proxy forms online at the website: https://conveneagm.sg/jadasonagm2022.

4. The instrument appointing the Chairman of the Meeting as the proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the Chairman of the Meeting as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.

5. 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 his/her proxy should approach his/her respective CPF/SRS Approved Nominees (CPF Agent Banks or SRS Operators) to submit his/her votes at least seven (7) working days before the Meeting.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the Meeting as the proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 April 2022.

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as the proxy 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 Chairman of the Meeting as the proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as the proxy 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 (Cap. 19) 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 (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), 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

Registration No. 199003898K

No.3 Kaki Bukit Crescent #03-01

Singapore 416237

Tel: (65) 6383 1800

Fax: (65) 6383 1390