



JADASON ENTERPRISES LTD

SUSTAINABILITY REPORT

2018



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ABOUT THIS REPORT

Jadason Enterprises Ltd reaffirms our commitments to sustainability, with the publication of our second standalone Sustainability Report 2018.

This report is dedicated to supplement our annual report. It presents key aspects of our material sustainability issues identified in FY2017 and has been reviewed internally and remains valid.

1.1 Reporting Standard

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option.

We have not sought for external assurance for this reporting period and will consider it when our reporting matures over time.

1.2 Reporting Scope and Period

This Sustainability Report covers relevant data, strategies and practices, and a detailed account of our sustainability performance of our two plants in Dongguan, China.

This report covers the performance of Jadason Enterprises Ltd from 1 January 2018 to 31 December 2018 and will be published annually.

This is our second standalone sustainability report with limited historical information.

1.3 Report Restatement

In this second report, the employee diversification and employee hire and turnover rate of Jadason Enterprises Ltd is being reported as a Group. Unlike Sustainability Report 2017, the employee diversification and employee hire and turnover rate only focused on the two plants in Dongguan, China.

The measurement units and methodologies used in this second report had been updated to provide a more accurate data on the materiality issue on environmental in Dongguan, China.

There is no other restatement for this report other than the above mentioned.

1.4 Report Accessibility

Moving in line with our effort to be more environmental friendly, we will not be printing this report. This report will be made available for download in SGX announcement portal of Jadason Enterprises Ltd.

1.5 Feedback

We greatly welcome your comments and feedbacks on our Sustainability Report. You can reach us at info-sing@jadason.com.

MESSAGE FROM THE GROUP CEO



Dear Stakeholders,

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

In FY2018, several major events which impacted the global economy, including the trade war between China and its main trading partner, the United States putting a downward pressure to the Group, which operates mainly in China, reported a loss after taxation for the year ended in 31 December 2018.

The Group and many other factories in China have faced increasing labour cost and difficulties in retaining the workers. Turnover of workers at the Group's plant in China was high in FY2018, which negatively affected the growth and expansion at these plants.

With the challenging operating conditions, the Group continues to position its "Manufacturing and Support Services" operations and "Equipment and Supplies" business for long term growth.

In this report, we will continue to focus on the two plants in Dongguan, China as they generated the highest revenue in the Group and have the widest material impact on sustainability issues. We undertook an in-depth materiality assessment in FY2017 for our business operation in Dongguan, China and identified the materiality issues that were deemed important.

We aim to conduct reviews on our materiality issues every three years, as we recognise that the materiality issues of our business may evolve over time.

The materiality issues that were identified from the material topic in FY2017 on Corporate Governance, Environmental, Economic, and Social can be found on page 14 in this report.

Our plants in Dongguan, China focus on “Manufacturing and Support Services” segment, rely heavily on energy, water and material usage in their day-to-day operation. The rising challenge of increasing labour cost and retaining of manpower, leading the Group to be progressively investing in automation equipments and processes to reduce manpower needs and enhance operational efficiency. We are well aware that the investment in automation equipments and processes will add-on to the energy and water usage creating an impact on the environment.

Doing our part in sustainability, we had integrated our sustainability practices into our business process in both plants. We are actively monitoring and improving on our sustainability practices to reduce the overall environmental impact that we had created.

We are committed to providing high quality and maintaining stringent controls striving for continuous operational excellence without compromising on the environment.

Fung Chi Wai
Group Chief Executive Officer

ABOUT JADASON ENTERPRISES

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

The Group has an extensive distribution network in Asia covering China, Hong Kong, Japan, Malaysia, Singapore, Taiwan, and Thailand providing equipment and supplies. For better support on equipment sales and providing better service to its customers, the Group has established a service network covering the area where the Group has marketing presence. The Group also provides PCB drilling services and mass lamination to PCB manufacturers in China.

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

The Group subscribes to the standards and guidelines of SGX-ST, Monetary Authority of Singapore (“MAS”), International Organization for Standardisation (“ISO”) - ISO 9001:2015 and ISO 14001:2015, and GRI standards.



3.1 Principle Business

Jadason Enterprises has identified and categorised its core business into two main segments namely “Equipment and Supplies” and “Manufacturing and Support Services”.



3.1.1 Equipment and Supplies

Jadason Enterprises has an extensive distribution network in China, Hong Kong, Japan, Malaysia, Singapore, Taiwan and Thailand providing a wide range of equipment and supplies for PCB industry.

These equipment and supplies range from CNC machines, laser drilling machines, laser plotter and wet processing machines, drill bits, dry films and laminates.

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

3.1.2 Manufacturing and Support Services

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

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

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



3.2 Corporate Governance

Jadason Enterprises’ Board of Directors (the “Board”) and Managements are committed to maintaining a high standard of corporate governance so as to ensure that the Group’s activities are carried out in the best interest of its shareholders. Our governance policies and practices are generally adhered to the principles and guidelines of the Code of Corporate Governance 2012 (the “Code”) issued by MAS in 2012.

The Board being the highest governance body of Jadason Enterprises provides general oversight of the Group’s activities, policies and performance and is responsible for setting the corporate strategy and business direction of the Group, ensuring that the necessary financial and human resources are in place for the Group to meet its objective.

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

Full details of the Corporate Governance for Jadason Enterprises can be found from Jadason Enterprises Annual Report 2018 page 17 to 28.

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



3.2.1 Risk Management

The Board acknowledges that it is responsible for the overall internal control and risk management systems. The Board oversees the Management in the formulation, update and maintenance of an adequate and effective risk management framework.

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

The AC, together with the Board and Chief Financial Officers (“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.



3.2.2 Operational Practices

3.2.2.1 Code of Conduct

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

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

3.2.2.2 Dealing in Securities

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

3.2.2.3 Whistle-blowing Policy

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

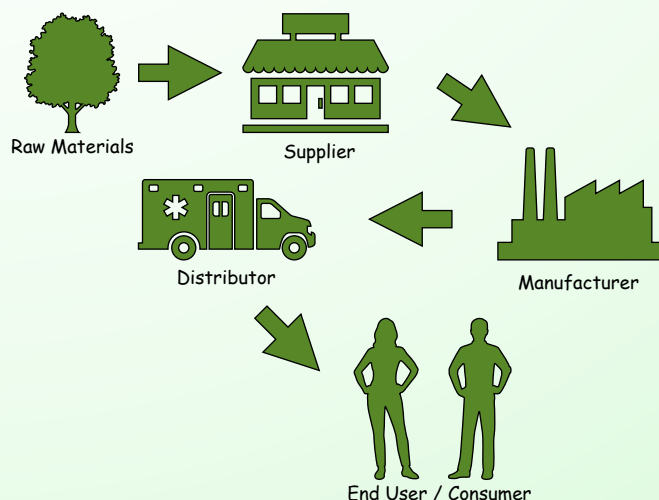
The policy with information on the proper reporting channels had been distributed to all employees in Jadason Enterprises.

3.3 Supply Chain

Jadason Enterprises has a broad range of suppliers for the two segments of its business across the network in Asia with a majority of the Group’s suppliers situated in China.

The Group’s main suppliers are categorised according to our business segments “Equipment and Suppliers” and “Manufacturing and Support Services”.

The Group has a comprehensive process to work with our suppliers in a fair and ethical manner on procuring equipments, raw materials, and engaging general and specialised professional services.



OUR PEOPLE

In Jadason Enterprises, our people are the most valuable assets that we have in the Group. Our people contributed endlessly to provide a high and reliable quality as well as good services to our customers across our network in Asia. Jadason Enterprises will not be where we are today without the selfless contribution and effort of each and every employees that we employed throughout the years.

In FY2017, the total employees hire and turnover rate and diversification profile only reflected on the two plants in Dongguan, China. From FY2018 onwards, Jadason Enterprises will consolidate and report the Group's total employees hire and turnover rate and diversification profile.

The Group and many other factories in China have faced increasing labour cost and difficulties in retaining the workforce. The turnover of workers at the Group's plant in China was at its high in FY2018, which negatively affected the growth and expansion at these plants.

4.1 Employment Profile








In 2018, our total employment headcount across Asia had drop about 8.85% to 700 employees in 2018. The total permanent contract employees had decreased in percentage as the total employment decreased and the increased in the number of supervised worker in FY2018.

We are mindful of our fair and inclusive commitment to have a diversified workforce in the Group to support our business growth.

China had accounted for the highest headcount of the Group in FY2018, follow by Thailand and Singapore.

Permanent Contract Employees	Year 2017	95.83% Male - 70.0% Female - 30.0%
	Year 2018	86.02% Male - 70.5% Female - 29.5%

Distribution of Employees by Countries

Country	Year 2017	Year 2018
	84.77% ♂ - 74.7% ♀ - 25.3%	86.73% ♂ - 76.2% ♀ - 23.8%
	5.21% ♂ - 32.5% ♀ - 67.5%	5.42% ♂ - 31.6% ♀ - 68.4%
	4.04% ♂ - 71.0% ♀ - 29.0%	1.57% ♂ - 30.8% ♀ - 69.2%
	0.39% ♂ - 66.7% ♀ - 33.3%	0.43% ♂ - 66.7% ♀ - 33.3%
	1.95% ♂ - 40.0% ♀ - 60.0%	2.43% ♂ - 41.2% ♀ - 58.8%
	3.39% ♂ - 42.3% ♀ - 57.7%	3.28% ♂ - 34.8% ♀ - 65.2%
	0.26% ♂ - 100.0% ♀ - 0.0%	0.14% ♂ - 100.0% ♀ - 0.0%

4.2 Diversification

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

The Group provides equal opportunities to all of our employees and do not discriminate them regardless on their age or gender. During our employee recruitment, we hire on the basis of value and competency on the job instead of their age or gender.

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

Our business in China, especially the plants in Dongguan, China is traditionally male-dominated due to the nature of the work being more physical demanding. This does not stop us from hiring female employees whom are competent for the job. The Group operates mainly in China accounted for 86.73% of the total headcount in the Group with 74.7% male employees. This had put a great weightage to the total male employee to female employee in the Group to 70.8% and 29.2% respectively.

From this year onwards, employee diversification will be reported as a Group instead of focusing mainly on the plants in Dongguan, China. This results in a limitation of reporting history for this segment.

Total Employees by Gender



Year 2017	70.6%	29.4%
Year 2018	70.8%	29.2%

Similar to FY2017, the Group has three male and two female directors in the Board for FY2018.

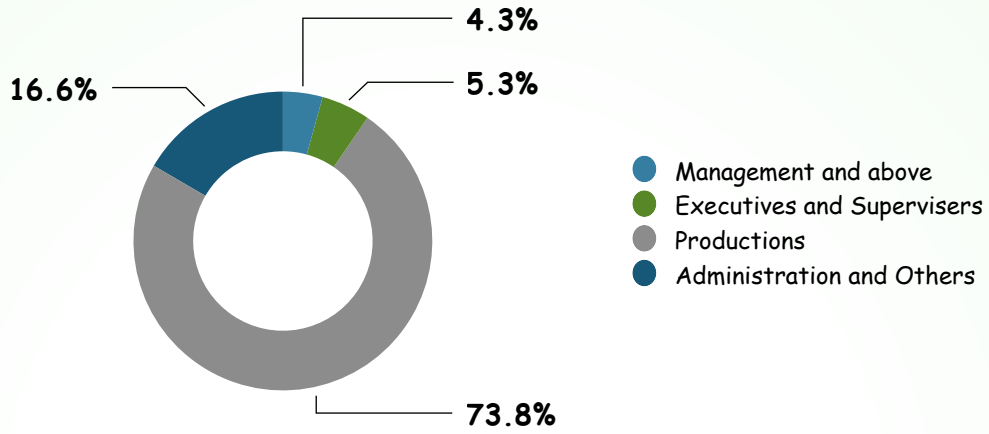
Jadason Enterprises' Board of Directors by Gender



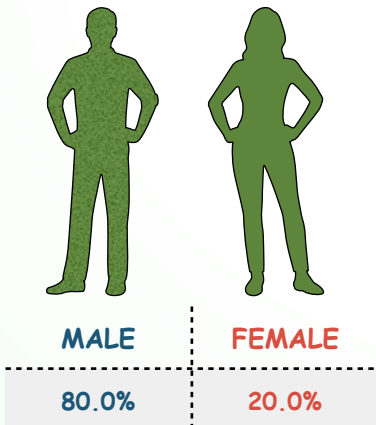
Total : 5

YEAR	MALE	FEMALE
Year 2017	60.0%	40.0%
Year 2018	60.0%	40.0%

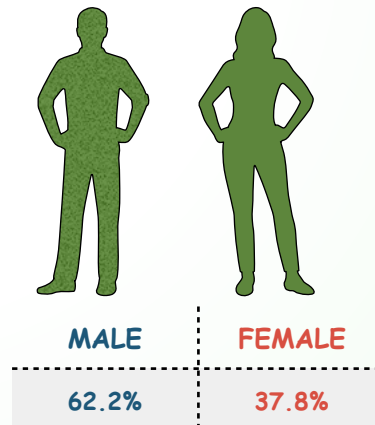
EMPLOYEES BY CATEGORIES



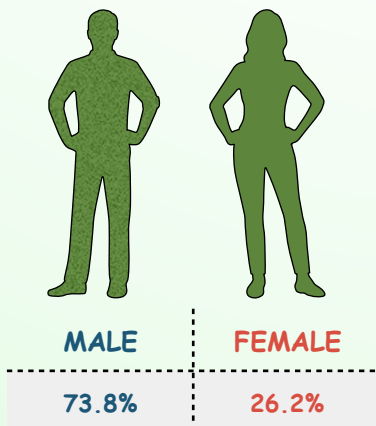
MANAGEMENT AND ABOVE BY GENDER



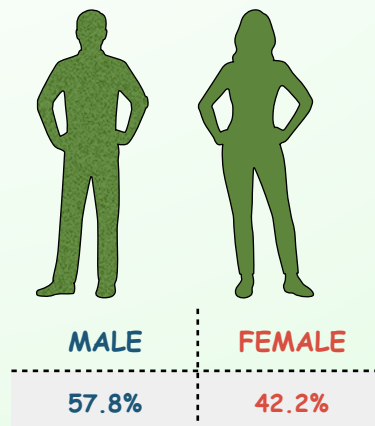
EXECUTIVES AND SUPERVISORS BY GENDER



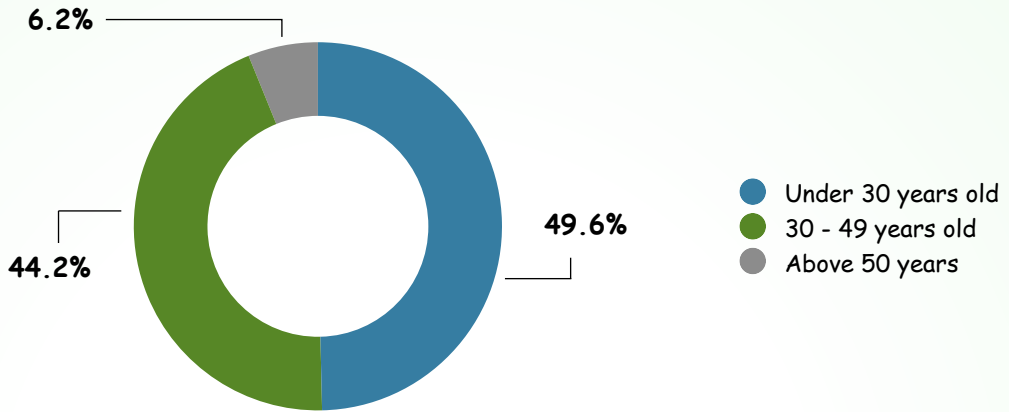
PRODUCTION BY GENDER



ADMINISTRATION AND OTHERS BY GENDER



EMPLOYEES BY AGE



EMPLOYEES BY GENDER BELOW 50 YEARS OLD



MALE	FEMALE
71.2%	28.8%

EMPLOYEES BY GENDER ABOVE 50 YEARS OLD



MALE	FEMALE
65.1%	34.9%

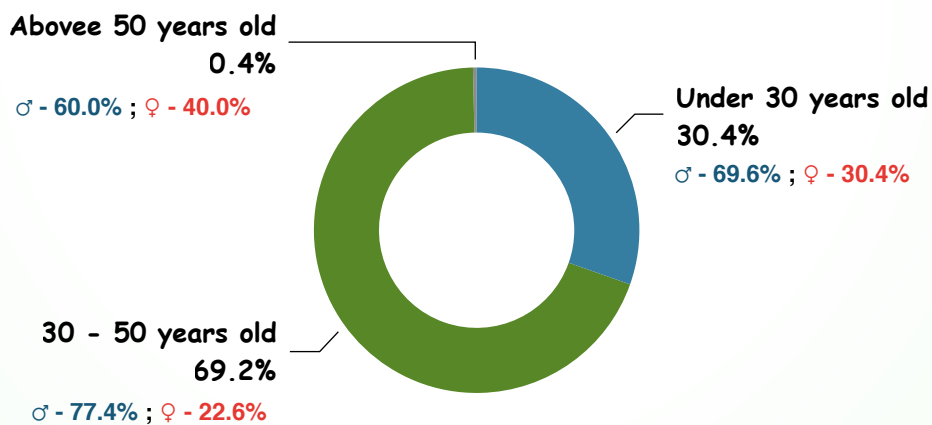
4.3 Hire and Turnover

In FY2018, the hire and turnover rate for Jadason Enterprises was at its high due to the challenge of increasing labour cost and the difficulties in retaining the workers. The plants in China had accounted for around 97% of the total hire and turnover rate in the Group for FY2018.

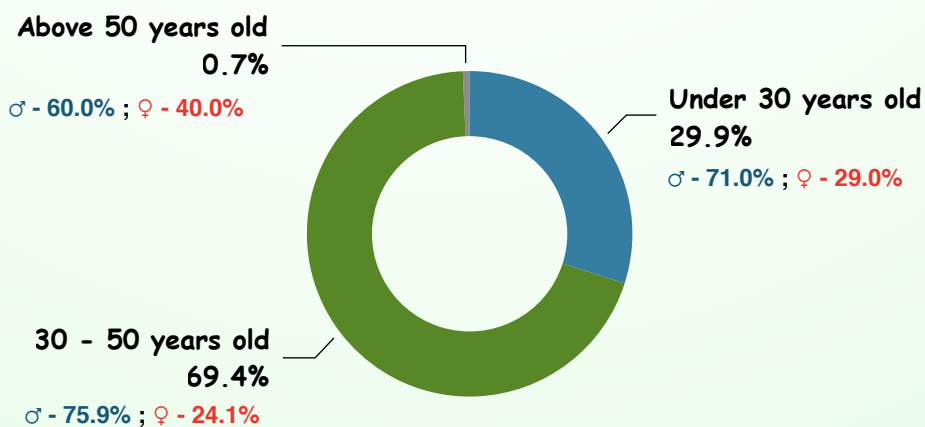
The vast employment opportunities in China put employing and retaining employees a challenge to the many factories and plants in China, including Jadason Enterprises Ltd. The Group will continuously review its processes to reduce its manpower requirement and its incentives schemes to retain workers at its facilities.

During our recruitment or dismissal of employees, we do not discriminate individuals base on their race, age, gender, religion and nationality. From FY2018 onwards, the hire and turnover rate will be reported as a Group instead of focusing on the plants in Dongguan, China alone. There will not be any historical data for this segment.

EMPLOYEES HIRED IN 2018



EMPLOYEES RESIGNED IN 2018



SUSTAINABILITY APPROACH

5.1 Boundary Setting

In Jadason Enterprises' first standalone Sustainability Report back in FY2017, the management had come to a decision to set the Group's reporting boundary to the two plants in Dongguan, China.

The decision for setting the two plants in Dongguan, China as the reporting boundary was based on the fact that they accounted for the highest revenue in the Group and has the widest material impact on the sustainability issues.

In this second standalone Sustainability Report, there will not be any changes to the reporting boundary having it being set to the two plants in Dongguan, China. The Group will review on the reporting boundary when the reporting matures over time.

5.2 Stakeholders' Engagement

We engaged with our stakeholders regularly to assess on their interest and potential impact on our business. The regular engagement will help to improve our decision-making process and how we assess materiality issues.

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

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

5.3 Materiality Assessment

Materiality issues identified from the assessment marked as a guide for Jadason Enterprises to focus on sustainability in a long run. In FY2017, we conducted a comprehensive materiality analysis identifying and prioritising on the materiality issues that were deemed as important to our business practice and our stakeholders. The materiality issues identified in FY2017 remain important to our business practice and our stakeholder for FY2018.

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

The materiality issues that were identified as important to us are namely Corporate Governance, Economic, Environmental and Social, for Dongguan, China as shown on the table beside.

We aim to conduct reviews of our materiality issues every three year, as we recognise that the materiality issues of our business may evolve over time.

5.3.1 Economic Performance

The economic performance and financial contribution of Jadason Enterprises had been tabulated and published in Jadason Enterprises Annual Report 2018.

The Group Financial Highlight and Operating Review can be found on page 4 to 10 of Jadason Enterprises Annual Report 2018, while the Financial Statement can be found on page 38 to 97 of Jadason Enterprises Annual Report 2018.

5.3.2 Anti-corruption

Jadason Enterprises does not tolerate corruption in any part of its business. The Group is committed to act professionally, fairly and with integrity in all our business dealings and relationship.

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

5.3.3 Child Labour

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

REACHING OUT TO SUSTAINABILITY IN DONGGUAN, CHINA

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

These two plants in Dongguan, China focus on the business segment of “Manufacturing and Support Services” and rely a lot on energy, water and materials for their daily operation and accounted for majority of the consumption in the Group. We are well aware that our business operation in a long run will cause a great impact to the environment. This will in turn affect the sustainability of our business as a Group.

In FY2018, we have almost 500 employees working with us in the two plants in Dongguan, China showing a drop of 9.36% of employee strength from FY2017. The increasing labour cost and difficulties in retaining the workers, resulting in a high turnover rate in our plants had negatively affected the growth and expansion of these plants.

The Group continuously review its process to reduce manpower requirement, and its incentive schemes to retain workers at its plant. The Group has also progressively invested in automation equipments and processes to reduce its manpower needs and enhanced operational effectiveness in its plant.



6.1 Environmental

Jadason Enterprises manage the impact of our business operation and activities to the environment by integrating our sustainability practices into our business process.

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

With the progressive investment in automated equipments and processes, adding stress to the environment due to the increase in energy and water requirement, the Group constantly review on its energy reduction plan in the plants to lighten the stress on energy usage in the plants.

One of the plants in Dongguan, China is governed by ISO 14001 guidelines on the environmental management systems. We are committed to minimise the environmental impact of the business operation for the other plant in Dongguan, China with our best effort.

In FY2018, the two plants in Dongguan, China have one new suppliers that underwent screening based on the environmental criteria.

6.1.1 Materials & Waste

Our business operation in the two plants in Dongguan, China, requires high volume of materials which are mainly procured across China.

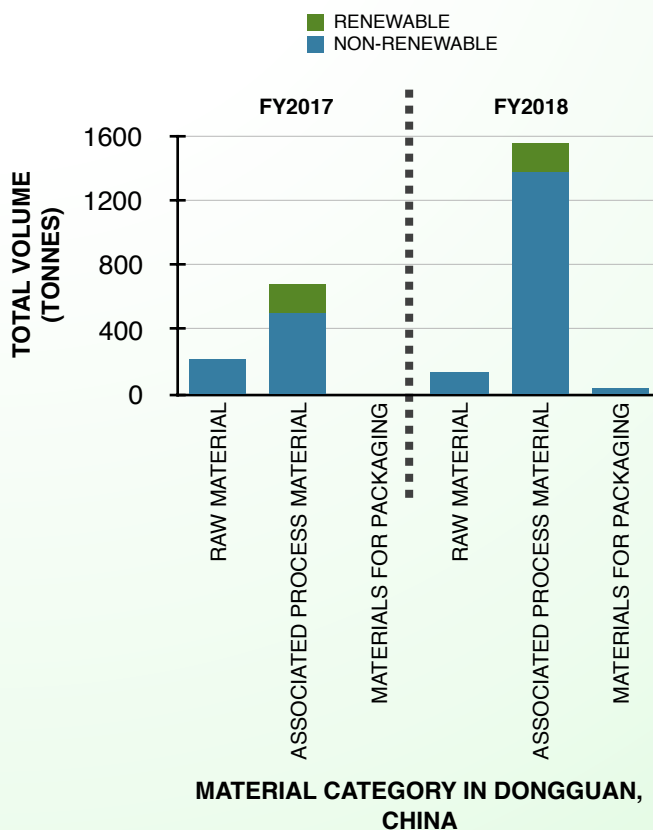
The materials used in the two plants in Dongguan, China are categorised according to “raw material”, “associated process material” and “materials for packaging”. We measure directly on the materials we used to collect the volume of our usage of materials identified.

We recognised that the usage on materials in our business operation in Dongguan, China will inevitably create an impact to the environment. We fully utilise our materials before disposing them in the factories in Dongguan, China.

The tabulated figures of the material usage in FY2018 will be higher than FY2017 due to the undervalue information collected for “associated process material” and “materials for packaging” despite the decrease in total production yield.

We will assure that all future measurements for material usage will be uniformed.

“We aim to minimise the impact on the environment without producing sub quality product.”



Waste material generated by the two plants in Dongguan, China, are disposed according to China regulatory requirement.

We engaged licensed and certified third party waste treatment contractor to help with the collection and disposal of waste material for the two plants in Dongguan, China.

The waste materials generated in the plants from the daily operations are stored and categorised in an easily understandable manner in the plants. The waste materials are then scheduled and collected by our third party waste treatment contractor accordingly.

For renewable materials that were identified, we stored the waste materials that were generated from the daily operations in a separate area from non-renewable waste. These renewable waste will be sold to a third party collector in Dongguan, China for recycling process.



For FY2018, non-renewable waste collected by third party waste treatment contractor was increased to 88.3% from 80.2% in FY2017. This was due to the increase in reporting of non-renewable material used in the plant resulting in the decrease in percentage of renewable waste generated and collected.

The difference in the figure for FY2018 is due to the undervalue information collected in FY2017.

We will assure that the future figures collected will be uniform to provide an accurate comparison and monitoring of our material usage and waste disposal.

WASTE COLLECTED BY THIRD PARTY WASTE TREATMENT CONTRACTOR



FY2017	80.2%
FY2018	88.3%

WASTE COLLECTED SOLD TO THIRD PARTY TO RECYCLE



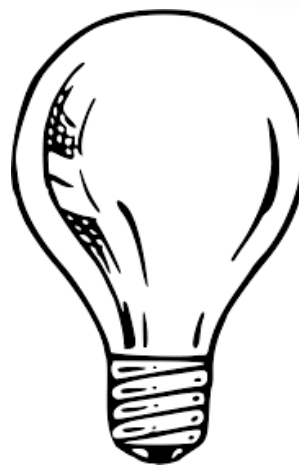
FY2017	19.8%
FY2018	11.7%

6.1.2 Energy Consumption

Our business operation in the two plants in Dongguan, China generally work around machineries and equipments on daily basis consuming high amount of electric energy. We are well aware that the high amount of energy consumption in the plants will create an impact to our environment. In a long run, it will affect the sustainability of our business.

We purchase our electric energy directly from municipal electric supplier situated in Dongguan, China. Periodical checking and recording on the electric usage from electric meters in the two plants were arranged by the electric supplier.

A drop of energy consumption was observed in FY2018, compared to the record in FY2017 for the two plants in Dongguan, China. The measurement record had been changed to “tce” from “kwh” in FY2017 due to the standardisation on the reporting units for the reports for both China and Singapore.



The likelihood on the effectiveness of electrical reduction plan in FY2018 may be undeterminable due to several factors. A decreased in the total manpower and total production yield in FY2018, may directly or indirectly drives the reduction of total energy consumption.

FY2017	35kwh/m ²
FY2018	1034.21 tce

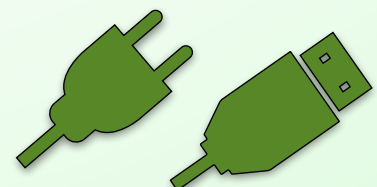
The plants in Dongguan, China subscribe to GB/T13234-2009 on the methodologies and assumptions used for the calculation of energy consumption.

From FY2018 onwards, we will standardise the calculation unit for energy consumption at “tce”. The calculation method for “tce” is shown as follow:

$$(12 \text{ months} \times 30 \text{ days} \times \text{KWh}) / 10000 \times 1.229 = \text{tce}$$

We will strictly adhere to the standards on our electric energy consumption and reduction in the plants to achieve our energy reduction goal in FY2020. We continuously review our energy saving plan through monitoring, analysing and optimising the energy consumption in the plants.

We are committed to the continual reduction of energy consumption plan in the plants without penalising our customer’s expectations.



We subscribed to Dongguan Province, China on the Five-Year Plan on energy saving for the two plants in Dongguan, China. To achieve our energy reduction target, we draw up an energy reduction plan for the two plants in Dongguan, China.

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

The Five-Year Plan calls for a total energy reduction of 19.3% energy consumption per unit of GDP by FY2020.

Some arrangements that we made for the reduction plan are (1) to turn on the air conditional half an hour after the workers start work, maintain the temperature at 25 degree Celcius and turn off the air conditional half an hour before ending work, (2) upgrade equipments and machines to minimise the usage of electricity, (3) changes the light tubes to LED, etc.

6.1.3 Water Withdrawal

We recorded substantially high amount of water withdrawal for our business operation in Dongguan, China. The water are mainly used in our operation process, periodical machinery upkeep and maintenance.

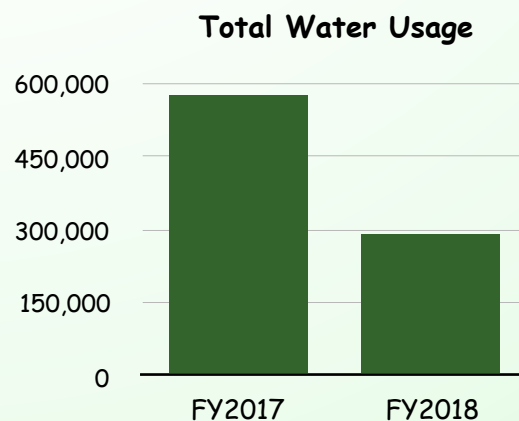
The two plants in Dongguan, China rely their water supply from two sources. The main water supply source is purchasing from municipal water supplier situated in Dongguan, while the other water supply source is from our own water recycle plant situated in one of our plants.

We subscribe to the PCB industrial water standard, methodology and assumption to operate our water recycle plant. This standard is relevant to our business operation of the plant where the water recycle plant is situated.

For FY2018, an estimation of 217,440 tonnes of water was withdrawn from our municipal water supplier, while 72,400 tonnes of water was withdrawn from our water recycling plant.

The figures represented for FY2018 is lower than FY2017, due to the decrease in production yield in FY2018 resulting in the decrease in recycled water usage.

Tabulating to 75.02% and 24.98% of purchased water and recycled water.



6.2 Our People in Dongguan, China

Our two plants in Dongguan, China employed almost 500 employees in FY2018 which is 9.36% decrease from FY2017.

The vast work opportunities in China results in a rapid turnover of manpower in the two plants. Retaining manpower in China became one of our priority issues to maintaining a sustainable business.



Our employees play an important role to the continual growth of Jadason Enterprises. We continuously review our incentives schemes to retain manpower in the plants.

We work towards providing a happy and engaging workforce throughout their employment with Jadason Enterprises. We believe that a happy and engaged workforce will ultimately translate to happy and satisfied customers and this may in turn promote the growth of our business in this segment as well as Jadason Enterprises as a whole.

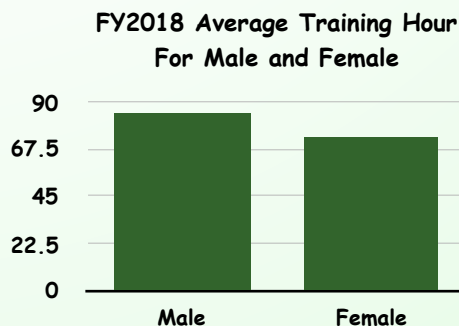
6.2.1 Growth and Development

The sustainability of the Group's business depends largely on the performance of our employees. With the continuous training, our employees will be confident enough to perform their task and to further excel in their job.

Continuous training will help our employees to better understand on their job and the expected performance for the job. It in turns contribute to the continuous improvement in quality and service for our customer.

We recognised that the growth and development of our employees may bring a growth to our business and aim to provide reasonable amount of trainings to our employees.

Our Company's Spirit for the two factories in Dongguan, China is to have "Continuous improvement in the quality" and to "Provide excellent customer service to satisfy customers".



6.2.2 Employee Wellness

In Jadason Enterprises, we believe that the well-being of our employees will lead to a productive workforce.

China has been rapidly growing over the years, with more business setting up in the country creating more work opportunities for the people in China. This results in the growing importance on employee welfare, incentives and well-being in the plants to better retaining the employees

The two plants in Dongguan, China, provides benefits such as insurance (maternity, industrial injury, medical and pension/retirement), housing provident fund, and leaves (annual, marriage, maternity) to our full-time employees. An additional retirement plan is being drawn up for male employees above 60 years old, and female employees above 50 years old working in the plants.

Our part-time or temporary employees do not enjoy most of the benefits compared to our full-time employees.



We provide a well-facilitated dormitory that is situated near the plants for our employees. Our employees are able to utilise places like the Reading Room, Entertainment Room, TV Room, etc during their spare time.

To cultivate and encourage team work and communication, activities such as basketball match, tug-of-war or table tennis, etc were organised for the employees.

We recognise the importance of having our employees to feel a sense of belonging in the company throughout their employment in Jadason Enterprises.

6.3 Health and Safety

The health and safety of our employees is important to us. An accident prone, dangerous and/or hazardous working environment will affect both our employees and our business operation.

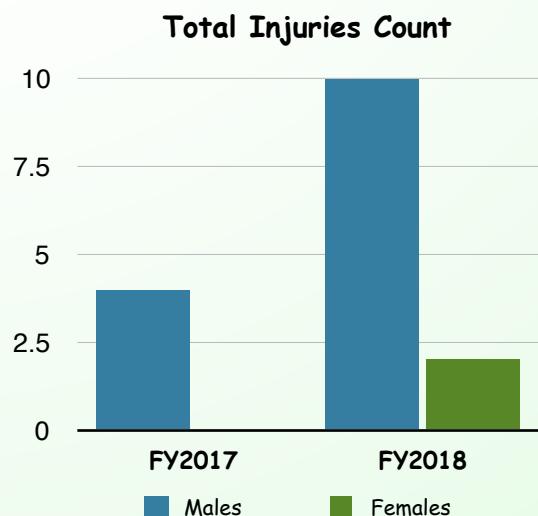
For the two plants in Dongguan, China, we subscribe and comply to the safety requirements of China reporting standard (GB6441-86), ISO 9001:2015 and ISO 14001:2015 standards.

In the two plants, our employees are required to strictly comply to the safety measures drawn up in the plants. We arrange trainings for our employees to educate them on the proper method in handling machineries, equipments, materials and waste materials, logistic flow in the factories, etc. having in view to minimise the risk of accident in the plants.

Similar to FY2017, we recorded zero fatality across our plants in Dongguan, China in FY2018. We aim to achieve zero fatality rate for the upcoming years.



The total injuries count increases from four employees in FY2017 to twelve employees in FY2018. Out of the twelve employees, ten of them are males, while two are females.



GRI Context Index

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

GENERAL STANDARD DISCLOSURES

GRI Standard Number	Disclosure Number	Disclosure Title	Chapter Reference
Organisation Profile			
GRI 102: General Disclosures 2016	102-1	Name of the organisation	About this Report (page 01)
	102-2	Activities, brands, products, and services	Principle Business (page 05)
	102-3	Location of headquarters	About Jadason Enterprises (page 04)
	102-4	Location of operations	About Jadason Enterprises (page 04) Equipments and Supplies (page 05) Our People (page 08)
	102-5	Ownership and legal form	About Jadason Enterprises (page 04) Annual Report (page 15)
	102-6	Markets served	About Jadason Enterprises (page 04) Principle Business (page 05)
	102-7	Scale of the organisation	Our People (page 08) Annual Report (page 04, 06, 98, 99)
	102-8	Information on employees and other workers	Our People (page 08)
	102-9	Supply chain	Supply Chain (page 07)
	102-10	Significant changes to the organisation and its supply chain	N.A.
	102-11	Precautionary Principle or approach	Message from the Group CEO (page 02-03) Risk Management (page 07)
	102-12	External initiative	Reporting Standard (page 01) About Jadason Enterprises (page 04)
	102-13	Membership of association	N.A. - No membership associations
Strategy			
GRI 102: General Disclosures 2016	102-14	Statement from senior decision-maker	Message from the Group CEO (page 02-03)
Ethics and integrity			
GRI 102: General Disclosures 2016	102-16	Values, principles, standards, and norms of behaviour	Corporate Governance (page 06-07)
Governance			
GRI 102: General Disclosures 2016	102-18	Governance structure	Corporate Governance (page 06-07)

GRI Context Index

GRI Standard Number	Disclosure Number	Disclosure Title	Chapter Reference
Stakeholder Engagement			
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	Stakeholders' Engagement (page 13)
	102-41	Collective bargaining agreements	N.A. - Employees are not covered by collective bargaining agreements
	102-42	Identifying and selecting stakeholders	Stakeholders' Engagement (page 13)
	102-43	Approach to stakeholder engagement	Stakeholders' Engagement (page 13)
	102-44	Key topics and concerns raised	Stakeholders' Engagement (page 13)
Reporting Practice			
GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statements	Annual Report (page 69-70) About this Report (page 01)
	102-46	Defining report content and topic Boundaries	Sustainability Approach (page 13-14)
	102-47	List of material topics	Sustainability Approach (page 13-14)
	102-48	Restatements of information	About this Report (page 01) Our People (page 08-12) Environmental (page 16-19)
	102-49	Changes in reporting	About this Report (page 01) Our People (page 08-12) Environmental (page 16-19)
	102-50	Reporting period	About this Report (page 01)
	102-51	Date of most recent report	December 2018
	102-52	Reporting cycle	About this Report (page 01)
	102-53	Contact point for questions regarding the report	About this Report (page 01)
	102-54	Claims reporting in accordance with the GRI Standards	About this Report (page 01) GRI Content Index (page 23)
	102-55	GRI content index	GRI Content Index (page 23-25)
	102-56	External assurance	About this Report (page 01)
	Management Approach		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Sustainability Approach (page 13-14)
	103-2	The management approach and its components	Reaching Out to Sustainability in Dongguan, China (page 15-22)
	103-3	Evaluation of the management approach	Sustainability Approach (page 13-14)

GRI Context Index

TOPIC SPECIFIC DISCLOSURES

GRI Standard Number	Disclosure Number	Disclosure Title	Chapter Reference
Economic Performance			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Economic Performance (page 14)
Anti-corruption			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Anti-corruption (page 14)
Environmental			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Materials & Waste (page 16-17)
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Energy Consumption (page 18)
	302-4	Reduction of energy consumption	Energy Consumption (page 18-19)
GRI 303: Water and Effluents 2016	303-3	Water withdrawal	Water Usage (page 19)
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	Materials & Waste (page 16-17)
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Environmental (page 16)
Social			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Hire and Turnover (page 12)
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Wellness (page 21)
GRI 403: Occupational Health and Safety 2016	403-9	Work-related injuries	Health and Safety (page 22)
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Growth and Development (page 20)
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Diversification (page 09-11)
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Child Labor (page 14)



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