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**Issuer:** Jadason Enterprises Ltd

**Stock code:** J03

**Meeting details:**

Date: 26 Apr 2024

Time: 2.00 p.m.

Venue: Room 332, Level 3, Suntec Singapore International Convention & Exhibition Centre,  
1 Raffles Boulevard, Suntec City, Singapore 039593

**Q1.** The 5-year financial highlights on page 3 of the annual report shows that the group made losses in the past 5 years. In fact, the group recognised losses in 8 of the past 10 years. Shareholders' equity at the group level has been eroded by nearly 90% in the past 4 years, from \$32.9 million to \$4.3 million.

In previous annual reports, the chairman has stated the following:

March 2024	<i>We remain committed to continuously rationalise our operating cost structure... and look for opportunities to diversify our revenue streams.</i>
March 2023	<i>The group will continue to work on cost controls and rationalising its operations.</i>
March 2022	<i>We will focus on maintaining sufficient liquidity, managing cost and further improving productivity. We will also look for opportunities to diversify our revenue streams.</i>
March 2021	<i>Given the unprecedented challenges, we will focus on maintaining sufficient liquidity, managing cost and further improving productivity. We will also look for opportunities to diversify our revenue streams.</i>
March 2020	<i>We will continue to work on cost control and productivity measures.</i>

(Source: company annual reports)

It seems evident that the company is struggling to devise strategies for turning around the group beyond simply rationalising its cost structure. Despite efforts to diversify revenue streams, the company has faced challenges, resulting in significant declines in revenue over the years, down to \$21.9 million in 2023.

Results for the years ended 31 December (\$S'000)										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenue	21,924	32,151	42,782	41,086	44,252	54,787	63,079	57,149	63,097	80,837
Loss before taxation	(7,971)	(6,939)	(10,625)	(3,903)	(14,931)	(778)	2,871	1,876	(31,947)	(8,731)
Loss after taxation	(7,972)	(6,946)	(10,636)	(4,076)	(15,004)	(1,344)	2,824	1,828	(32,101)	(8,923)
Loss per share (c)	(1.10)	(0.96)	(1.47)	(0.56)	(2.08)	(0.19)	0.39	0.25	(4.44)	(1.24)

(Source: company annual report)

- (i) **Since the board has decided to halt PCB drilling operations, will the group be left with only one operational segment, Equipment and Supplies?**
- (ii) **How are the growth prospects for the Equipment and Supplies segment?**
- (iii) **How does management plan to refine the business model to generate value for shareholders?** The group last reported a profit in the Equipment and supplies segment in FY2017.

- (iv) **Should shareholders expect the group to incur additional costs related to the planned cessation of the PCB drilling business? What is the timeline for exiting this business?**
  
- (v) **Will management be looking to monetise the Suzhou property/land use rights currently used in the PCB drilling business? If so, what is the estimated fair value?**

**Q2.** As highlighted in the preceding question, the chairman emphasised diversification as a strategy to improve the group's prospects. In her address to shareholders, she further indicated that the group is actively exploring new markets in Southeast Asia to broaden its customer base and mitigate geographical concentration.

- (i) **How is the board approaching diversification, and what criteria are being used in the search for a new business?**
- (ii) **Have any businesses been considered in the past 1-2 years?**
- (iii) **Who is leading the search for new business opportunities, and does the current board and management team have the necessary M&A experience?**
- (iv) **Separately, for the PCB business, how confident is management in entering a new market, considering its struggles in the traditional market over the past decade?**
- (vi) **Has the board discussed the potential benefits of bringing new talent into the senior executive team to rejuvenate the group with fresh skill sets and perspectives?**

In addition, the company was placed on the watch-list (financial entry criteria) with effect from 6 June 2023 pursuant to Listing Rule 1311. Accumulated losses have increased to \$(47.4) million as at 31 December 2023.

- (vii) **What are the company's plans to exit the watch-list?**

**Q3.** At the annual general meeting scheduled to be held on 26 April 2024, Mr Chua Keng Hiang will be retiring as a director pursuant to Regulation 89 of the Constitution of the company and will be seeking his re-election.

Mr Chua Keng Hiang was first appointed to the board in June 2000. The director's biography can be found on page 11 of the annual report. Additional information on directors seeking re-election can be found on pages 96 to 102.

If re-elected, Mr Chua Keng Hiang will remain as a member of the audit committee and remuneration committee and will be considered a non-independent director, pursuant to the nine-year rule imposed by SGX.

Shareholders' equity in the company has been reduced to just \$1.7 million at the end of the financial year compared to issued and fully paid share capital of \$50.2 million. The company last paid a dividend of \$0.005 per share in 2013, more than a decade ago.

- (i) **How has Mr Chua Keng Hiang contributed to the group during the 24 years in his role as independent director? What has been the total shareholder return over the period of his tenure?**
- (ii) **What is the director's assessment of his own effectiveness in the past 24 years?**
- (iii) **If re-elected, in what ways does the director plan to contribute differently to guide the group back onto a growth/profit trajectory?**
- (iv) **How will the director be able to help the company exit the SGX watch-list?**
- (v) **Would the director reconsider his re-election at the AGM to facilitate the progressive renewal of the board, thus enabling the infusion of fresh expertise and diverse perspectives?**

*Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.*

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