JASON HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201119167Z)

ANNOUNCEMENT PURSUANT TO RULE 704(4) OF THE CATALIST RULES

Pursuant to Rule 704(4) of the Singapore Exchange Securities Trading Limited Listing Manual – Section B: Rules of Catalist, the board of directors (the "**Board**") of Jason Holdings Limited (the "**Company**" and collectively with its subsidiaries, the "**Group**") wishes to announce that the independent auditor of the Company, BDO LLP, has issued a disclaimer of opinion ("**Disclaimer of Opinion**") in its Independent Auditor's Report in relation to the audited financial statements of the Group for the financial years ended 31 December 2015 ("**FY2015**") and 31 December 2016 ("**FY2016**") respectively.

The extracts of the Disclaimer of Opinion in relation to the audited financial statements for FY2015 and FY2016 respectively are set out below:

Independent Auditor's Report for FY2015

"Basis for Disclaimer of Opinion

1. ***Jason Parquet Specialist (Singapore) Pte Ltd ("JPS"): Independent reviews and findings, winding up of JPS and other scope limitations***

During the course of our audit of the accompanying financial statements, we were informed by the Board of Directors of the Company ("Board") that the Audit Committee had commissioned the Company's Internal Auditors ("IA") to carry out certain agreed-upon procedures ("AUP") on the Group covering the 6-month period ended 30 June 2015 ("HY2015"). In view of the IA findings, we were engaged by the Group to perform certain other AUP on the revenue and cost of sales for HY2015 of JPS, the principal operating subsidiary of the Company. In addition, a Special Committee of the Board appointed Ernst & Young Advisory Pte. Ltd. ("E&Y") to perform a review of the IA findings and also conduct an assessment into certain account balances and transactions of JPS for the financial year ended 31 December 2015. Further to E&Y's findings, the Special Committee suspended the then Chief Executive Officer and Operations Director of the Group from their respective positions due to potential breaches of fiduciary duties in the management and administration of JPS. Salient findings of the IA, our AUP and E&Y were announced by the Company on 14 January 2016, 31 May 2016 and 24 May 2016 respectively and summarised in Notes 28(a) and 28(b) to the accompanying financial statements.

We assessed the impact of the various findings during the course of our audit and noted that there may be misstatements in multiple elements of the accompanying financial statements, including, but not limited to, "revenue", "costs of sales", "inventories", "trade receivables", "advance to suppliers", "deposits" and "borrowings - trade receivable financing". We also noted inconsistencies in certain information highlighted in E&Y's Executive Summary Report and the information we had gathered during the course of our audit.

While we sought to understand the inconsistencies and carry out independent verification procedures on E&Y's findings and other further audit procedures to complete our audit, a winding up order was made against JPS by the High Court of Singapore and liquidators were appointed on 10 June 2016 (further disclosed in Note 28(j) to the accompanying financial statements) and consequently, the Group lost control of JPS on that date. Following this, the Company experienced significant limitation of staff resources following the suspension and/or resignation of key management personnel and other staff, as well as the resignation of the finance team. We were also denied access to E&Y's Full Report. We were therefore unable to

obtain satisfactory responses to our requests for supporting documents, information and explanations arising from our audit and on the matters in relation to E&Y's findings.

Accordingly, because of the above limitations on the scope of our audit which significantly impeded our ability to carry out further audit procedures or satisfy ourselves through alternative means, we were unable to obtain sufficient appropriate audit evidence:

(a) to conclude whether the accompanying financial statements are materially misstated in relation to the findings in E&Y's Executive Summary Report;

(b) to ascertain the existence, completeness, accuracy, valuation and/or classification, and related disclosures, of various transactions and balances relating to JPS, including the prior year adjustments made by management; and

(c) to evaluate whether the Group had operated within appropriate internal control and corporate governance frameworks which may have a pervasive effect on the accompanying financial statements.

Consequently, we were unable to conclude whether the financial information of JPS which had been consolidated in the Group's consolidated financial statements were free from material misstatement and whether any adjustments might have been found necessary in respect of the multiple elements making up the accompanying financial statements for the financial year ended 31 December 2015.

2. ***Scheme of Arrangement and liabilities of the Company***

As at 31 December 2015, the Company recorded liabilities amounting to $973,101. In addition, the Company had provided corporate guarantees to banks for facilities granted to JPS as disclosed in Note 26.4 to the accompanying financial statements.

On 1 December 2016, the Company filed for a Scheme of Arrangement ("SOA") to seek to effect a restructuring of its debts and liabilities (further disclosed in Note 28(n) to the accompanying financial statements).

Management did not assess whether any provision for corporate guarantees should have been made by the Company as at 31 December 2015 in accordance with FRS 37 "Provisions, Contingent Liabilities and Contingent Assets". Had an assessment been made, a provision may have to be recognised. The effects of this matter on the accompanying financial statements had not been determined.

In addition, due to a lack of sufficient supporting documents and information maintained by the Company, we were unable to obtain sufficient appropriate audit evidence on the completeness and accuracy of liabilities recorded by the Company. We were also unable to satisfy ourselves through alternative means. Consequently, we were unable to determine whether any adjustment to the accompanying financial statements for the financial year ended 31 December 2015 may be necessary.

3. ***Subsequent events and going concern***

The finance team of the Company has left in 2016. The Company did not have sufficient resources to engage external parties to prepare the Group's and Company's accounts. Accordingly, we were not provided with reliable financial information of the Group and Company beyond the financial year ended 31 December 2016, being the latest available.

This further imposed a limitation of scope on our audit as we were unable to obtain sufficient appropriate audit evidence in relation to subsequent events and going concern, as described below, nor were we able to satisfy ourselves through alternative means. Consequently, we were unable to determine if any further adjustments to or disclosures in the accompanying financial statements for the financial year ended 31 December 2015 may be necessary.

Subsequent events

Certain subsequent events have been disclosed in Note 28 to the accompanying financial statements. Due to the above scope limitation, we were unable to obtain sufficient appropriate audit evidence that all subsequent events that have occurred up to the date of our report that may require adjustment to, or disclosure in the accompanying financial statements have been identified.

Going concern

As disclosed in Note 4 to the accompanying financial statements, for the financial year ended 31 December 2015, the Group recorded a net loss of $13,841,355 and net current liabilities of $6,586,225. Included in the Group's current liabilities were bank borrowings amounting to $14,512,285 due for repayment within 12 months after the financial year end. For the financial year ended 31 December 2016, the Group incurred a net loss for the year of $4,920,863, and was in a net current liabilities position of $2,649,326 and had capital deficiency of $2,480,894 as at 31 December 2016. As part of the SOA described in item 2, the Company issued new placement shares for gross proceeds of $1,000,000 ("Placement Proceeds") on 14 June 2017. The SOA was completed on 17 October 2017 which constituted a full and final settlement of all liabilities owed by the Company to the existing creditors. Based on the Company's announcement on 30 September 2017, approximately $14,000 of the Placement Proceeds remain available to fund the Company's working capital. In addition, after the loss of control of JPS, the Group has one remaining subsidiary, White Cubic Pte Ltd ("WC"). WC's business had deteriorated since the end of the financial year ended 31 December 2016.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about Group's and Company's abilities to continue as going concerns. As disclosed in Note 4 to the accompanying financial statements, the financial statements of the Group and the Company have been prepared on the going concern basis taking into account that a controlling shareholder, who is also the Non-Executive Director and Chairman of the Company, has undertaken to provide continuing financial support to the Company. In addition, a director of WC has undertaken to provide continuing financial support to WC.

Due to the above scope limitation, we were unable to assess the latest financial position of the Group nor the future cash flow requirements of the Group in the absence of a cash flow forecast. We were therefore unable to assess the extent of financial support that may be required from the Non-Executive Director and Chairman of the Company and a director of WC as well as their abilities to provide the support if needed.

Accordingly, we were unable to conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the accompanying financial statements.

4. ***Impairment of plant and equipment of WC***

As at 31 December 2015, included in the Group's property, plant and equipment were plant and equipment of WC amounting to $233,516 for which there were indicators of impairment. WC's management had not performed an impairment assessment of those plant and equipment in accordance to FRS 36 "Impairment of Assets". Had the recoverable amounts of those plant and equipment been determined, impairment losses may have to be recognised and adjustments to their carrying amounts may be required. The effects of this matter on the accompanying financial statements had not been determined.

5. ***CAD Investigation against a director of the Company and JPS***

As disclosed in Note 28(c) to the accompanying financial statements, on 4 August 2016, the Company announced the investigations by the Commercial Affairs Department of the Singapore Police Force ("CAD") against a director of the Company and JPS on a possible offence under the Penal Code (Chapter 224), pursuant to the provisions of the Criminal Procedure Code (Chapter 68, 2012 Revised Edition). At the date of this report, the

investigations are not yet completed. Accordingly, we are unable to determine if any significant adjustments may arise from the findings of the investigation to the accompanying financial statements.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the accompanying financial statements.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the Basis for Disclaimer of Opinion paragraphs of our report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have not been properly kept in accordance with the provisions of the Act."

Independent Auditor's Report for FY2016

"Basis for Disclaimer of Opinion

1. Jason Parquet Specialist (Singapore) Pte Ltd ("JPS") - Winding up of JPS and other scope limitations

During the course of our audit of the accompanying financial statements, a winding up order was made against JPS, a principal operating subsidiary of the Company, by the High Court of Singapore and liquidators were appointed on 10 June 2016 and consequently, the Group lost control of JPS on that date.

In accordance with FRS 110 - Consolidated Financial Statements ("FRS 110"), subsidiaries are consolidated by the parent up to the effective date on which control is lost. However, the Company had not consolidated JPS from 1 January 2016 to 10 June 2016 for various reasons as disclosed in Note 2.2 to the accompanying financial statements.

As a result of the Group's derecognition of JPS based on the carrying amounts of the net identifiable assets of JPS as at 1 January 2016, and as disclosed in Note 27 to the accompanying financial statements, the Group recognised a loss of $3,170,124 in the profit or loss.

In our audit of the Group's consolidated financial statements for the prior financial year ended 31 December 2015, we were unable to conclude whether the financial information of JPS which had been consolidated in those financial statements were free from material misstatement. The basis and reasons for the scope limitation were highlighted in our report on those financial statements dated on 16 April 2018.

Accordingly, because of the above limitations on the scope of our audit which significantly impeded our ability to carry out further audit procedures or satisfy ourselves through alternative means, we were unable to obtain sufficient appropriate audit evidence:

(a) to ascertain whether the results of JPS for the period from 1 January 2016 to 10 June 2016 were material;

(b) to conclude whether the Group's financial statements are materially misstated in relation to the non-consolidation of JPS from 1 January 2016 instead of 10 June 2016; and

(c) to ascertain whether the loss of $3,170,124 and related disclosures were appropriate.

Consequently, we were unable to conclude whether any adjustments might have been found necessary in respect of the multiple elements making up the accompanying financial statements for the financial year ended 31 December 2016. Our opinion on the accompanying financial statements is also modified because of the possible misstatement of JPS' financial information on the comparability of the current year's figures and the comparative figures.

2. Jason Holdings Limited (the "Company") - Significant limitation of staff resources, completeness and accuracy of records and other scope limitations

The Company experienced significant limitation of staff resources following the suspension and/or resignation of key management personnel and other staff, as well as the resignation of the finance team. Furthermore, the Company did not have sufficient resources to engage external parties to prepare the Group's and Company's accounts, and were unable to provide satisfactory responses to address our audit queries and requests for supporting documents, information and explanations in relation to the Company's financial information.

Accordingly, because of the above limitations on the scope of our audit which significantly impeded our ability to carry out audit procedures or satisfy ourselves through alternative means, we were unable to obtain sufficient appropriate audit evidence:

(a) to satisfy ourselves as to the completeness and accuracy of the Company's underlying accounting and other records, including journal entries and source documents; and

(b) to ascertain the existence, completeness, accuracy, valuation and/or classification, and related disclosures, of various transactions and balances relating to the Company.

Consequently, we were unable to conclude whether the financial information of the Company which had been consolidated in the Group's consolidated financial statements were free from material misstatement and whether any adjustment may be necessary in respect of the multiple elements making up the accompanying financial statements for the financial year ended 31 December 2016.

3. Scheme of Arrangement and liabilities of the Company

As disclosed in Note 28(a) to the accompanying financial statements, on 1 December 2016, the Company filed for a Scheme of Arrangement ("SOA") to seek to effect a restructuring of its debts and liabilities. As at 31 December 2016, the Company recorded liabilities amounting to $2,530,972.

Due to a lack of sufficient supporting documents and information maintained by the Company, we were unable to obtain sufficient appropriate audit evidence on the completeness and accuracy of liabilities recorded by the Company as at 31 December 2016. We were also unable to satisfy ourselves through alternative means.

Consequently, we were unable to determine whether any adjustment to the accompanying financial statements for the financial year ended 31 December 2016 may be necessary. Our opinion on the prior year financial statements was also modified on the same basis.

4. Subsequent events and going concern

Because of the scope limitations as described in item 2 above, we were not provided with reliable financial information of the Group and the Company beyond these set of financial statements. We were therefore unable to obtain sufficient appropriate audit evidence in relation to subsequent events and going concern, as described below, nor were we able to satisfy ourselves through alternative means.

Subsequent events

Certain subsequent events have been disclosed in Note 28 to the accompanying financial statements. Due to the above scope limitation, we were unable to obtain sufficient appropriate

audit evidence that all subsequent events that have occurred up to the date of our report that may require adjustment to, or disclosure in the accompanying financial statements have been identified.

Going concern

As disclosed in Note 4 to the accompanying financial statements, for the financial year ended 31 December 2016, the Group incurred a net loss of $4,920,863, and was in a net current liabilities position of $2,649,326 and had capital deficiency of $2,480,894 as at 31 December 2016. As part of the SOA described in item 3 above, the Company issued new placement shares for gross proceeds of $1,000,000 ("Placement Proceeds") on 14 June 2017. The SOA was completed on 17 October 2017 which constituted a full and final settlement of all liabilities owed by the Company to the existing creditors. Based on the Company's announcement on 30 September 2017, approximately $14,000 of the Placement Proceeds remain available to fund the Company's working capital. In addition, after the loss of control of JPS, the Group has one remaining subsidiary, White Cubic Pte Ltd ("WC"). WC's business had deteriorated since the end of the financial year ended 31 December 2016.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about Group's and Company's abilities to continue as going concerns. As disclosed in Note 4 to the accompanying financial statements, the financial statements of the Group and the Company have been prepared on the going concern basis taking into account that a controlling shareholder who is the Non-Executive Director and Chairman of the Company has undertaken to provide continuing financial support to the Company. In addition, a director of WC has undertaken to provide continuing financial support to WC.

Due to the above scope limitation, we were unable to assess the latest financial position of the Group nor the future cash flow requirements of the Group in the absence of a cash flow forecast. We were therefore unable to assess the extent of financial support that may be required from the Non-Executive Director and Chairman of the Company and a director of WC as well as their abilities to provide the support if needed.

Accordingly, we were unable to conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the accompanying financial statements.

5. Impairment of plant and equipment of WC

As at 31 December 2016, the Group had plant and equipment amounting to $174,458, belonging to WC, which had indicators of impairment. WC's management had not performed an impairment assessment of those plant and equipment in accordance to FRS 36 "Impairment of Assets". Had the recoverable amounts of those plant and equipment been determined, impairment losses may have to be recognised and adjustments to their carrying amounts may be required. The effects of this matter on the accompanying financial statements had not been determined.

6. CAD Investigation against a director of the Company and JPS

As disclosed in Note 28(c) to the accompanying financial statements, on 4 August 2016, the Company announced the investigations by the Commercial Affairs Department of the Singapore Police Force ("CAD") against a director of the Company and JPS on a possible offence under the Penal Code (Chapter 224), pursuant to the provisions of the Criminal Procedure Code (Chapter 68, 2012 Revised Edition). At the date of this report, the investigations are not yet completed. Accordingly, we are unable to determine if any significant adjustments may arise from the findings of the investigation to the accompanying financial statements.

Disclaimer of Opinion

We do not express an opinion on the accompanying consolidated financial statements of the Group and the statement of financial position of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the Basis for Disclaimer of Opinion paragraphs of our report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have not been properly kept in accordance with the provisions of the Act."

Shareholders are advised to refer to the Independent Auditor's Reports and the audited financial statements contained in the annual reports for FY2015 and FY2016 respectively, which will be released on SGXNET in due course.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. Shareholders and potential investors should note that there is no certainty or assurance that the shares of the Company will eventually resume trading on the SGX-ST. Shareholders and potential investors are advised to read all further announcements by the Company carefully and to consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

JASON HOLDINGS LIMITED

Lim Chwee Kim
Non-Executive Director and Chairman
20 April 2018

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Mr. Ong Hwee Li (Tel: (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.