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

(I) MATERIAL FINDINGS IN THE INTERNAL AUDITORS' REPORT;
(II) POTENTIAL MISSTATEMENT OF THE UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015, WHICH WAS ANNOUNCED ON 14 AUGUST 2015; AND
(III) SUSPENSION OF TRADING.

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1. INTRODUCTION

1.1 The board of directors (the "**Board**" or "**Directors**") of Jason Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcement on 13 January 2016 on its request to convert the trading halt to a voluntary trading suspension.

1.2 The Board wishes to announce that the Company's audit committee ("**Audit Committee**") had commissioned the internal auditors ("**Internal Auditors**") to carry out certain agreed-upon procedures (the "**AUPs**") pursuant to a feedback received from an employee of the Company (the "**Feedback**"). The Feedback was in relation to, *inter alia*, certain operational aspects of the Company's subsidiaries, namely Jason Parquet Specialist (S) Pte Ltd ("**JPS**") and White Cubic Pte. Ltd., as well as the general tight cash flow position of the Group.

1.3 On 6 January 2016, the Audit Committee received the report from the Internal Auditors on the findings of the AUPs which covered the six-month period ended 30 June 2015 (the "**IA Report**").

1.4 The IA Report highlighted, *inter alia*, the following material findings:-

(i) JPS did not make salary payments to certain employees in accordance with the timelines stipulated in the Employment Act.

(ii) JPS did not comply with certain bank covenants relating to three (3) banking facilities as at 30 June 2015. As at the date of this announcement, the non-compliances have been rectified in that (A) two (2) of the banking facilities have been fully repaid by 30 September 2015; and (B) the amount outstanding in respect of the remaining bank facility had been reduced through repayment.

(iii) There were erroneous submissions of supporting documents for the application of short term trade facilities.

(iv) There had been lapses in the Group's internal controls systems in respect of timely and adequate recording of transactions. As a result, JPS had failed to identify omissions (the "**Omissions**") in the recognition of cost of goods sold ("**COGS**") in relation to certain revenue recognised in the unaudited half year financial statements for the six-month period ended 30 June 2015 ("**HY2015**"), which was announced by the Company on 14 August 2015 ("**HY2015 Results Announcement**"). The Omissions appeared to be primarily due to a system design gap in the enterprise resource planning system. There is accordingly a potential overstatement of approximately S$2 million in the profit and loss position of the Group for HY2015 due specifically to the Omissions identified.

2. COMMISSIONING OF REVIEW BY EXTERNAL AUDITORS

Following the receipt of the IA Report, the Company immediately commissioned its external auditors ("**Auditors**") to perform certain AUPs on the Group's revenue and COGS for HY2015, and to quantify the amount of misstatement in the HY2015 Results Announcement.

As at the date of this announcement, the Auditors have not completed the aforementioned AUPs and accordingly, they are unable to quantify the amount of misstatement in the HY2015 Results Announcement.

The Company will update its shareholders once the quantum of misstatement can be ascertained and a restated set of financial results for HY2015 is available.

3. FURTHER ACTION

In view of the findings in the IA Report, the Board will commission a special independent committee (including but not limited to members of the Audit Committee) ("**Special Committee**") to review the findings of the IA Report in detail, as well as to conduct a comprehensive review and assessment of the cash flow projections for the Group in the next 12 months.

The Special Committee will, in consultation with the Company's Sponsor, the Auditors and other professionals, commission and work closely with the Internal Auditors to evaluate the adequacy and effectiveness of the Group's system of internal controls, work procedures and processes. This review is to ensure that the internal controls are adequate to safeguard the shareholders' investments, the Company's assets and ensure the integrity of the Company's financial statements. Upon completion of the review, the Special Committee will look into the recommendations of the Internal Auditors and take necessary steps to further strengthen and enhance the internal controls of the Group.

The Company will continue to make announcements as and when appropriate to update shareholders of the Company.

4. SUSPENSION OF TRADING

In view of the current lack of clarity on the quantum of misstatement in relation to the financial results for HY2015, the Company had, on 13 January 2016, requested for the conversion of its trading halt to a voluntary trading suspension. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

BY ORDER OF THE BOARD
JASON HOLDINGS LIMITED

Jason Sim Chon Ang
Executive Director and CEO

14 January 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**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.

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