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

PROPOSED PLACEMENT OF 2,000,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF JASON HOLDINGS LIMITED IN CONNECTION WITH THE SCHEME

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1. INTRODUCTION

1.1 The board of directors ("**Board**" or "**Directors**") of Jason Holdings Limited ("**Company**", and together with its subsidiaries, "**Group**") refers to:

(a) the announcement dated 3 December 2016 in relation to the application ("**Application**") filed by the Company with the High Court of the Republic of Singapore ("**Court**") under Section 210 of the Companies Act (Chapter 50) ("**Act**") seeking, amongst other things, that the Company be at liberty to convene a meeting of creditors ("**Court Meeting**") within eight (8) weeks (or such extended period as may be ordered by the Court) of the date of the order of Court, for the purposes of considering and, if thought fit, approving with or without modification, a scheme of arrangement ("**Scheme**") proposed to be made between the Company and its creditors ("**Scheme Announcement**"); and

(b) the announcement dated 8 December 2016 in relation to the grant of the Application by the Court.

1.2 In connection with the Scheme, the Board further wishes to announce that the Company has, on 20 December 2016, entered in to a binding conditional placement term sheet ("**Placement Term Sheet**") with Mr Lim Chwee Kim, a director and controlling shareholder of the Company ("**Subscriber**").

1.3 Pursuant to the Placement Term Sheet, the Company proposes to allot and issue to the Subscriber an aggregate of 2,000,000,000 new ordinary shares in the capital of the Company ("**Placement Shares**"), for an aggregate subscription amount of S$1,000,000, such Placement Shares representing approximately 73.28% of the enlarged issued and paid-up shares in the share capital of the Company ("**Shares**") (after taking into account up to 513,253,613 new Shares ("**Scheme Shares**") to be issued under the Scheme) ("**Proposed Placement**"), at the price of S$0.0005 for each Placement Share ("**Placement Price**"). The Placement Term Sheet shall be valid for a period of six (6) months from the date of signing of the Placement Term Sheet.

1.4 There is no placement agent appointed for the purpose of the Proposed Placement. The Proposed Placement will be made pursuant to Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. Accordingly, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

1.5 The Placement Term Sheet sets out in broad terms the salient terms and conditions in respect of the Proposed Placement which will form the basis of the definitive agreement relating to the Proposed Placement ("**Definitive Agreement**"). Further details will be announced in the event the Definitive Agreement is entered into by the Company.

2. INFORMATION ON THE SUBSCRIBER

2.1 The Subscriber is the Non-Executive Chairman and controlling shareholder of the Company. As at the date of this announcement, the Subscriber holds 42,800,000 Shares representing 19.81% of the issued and paid-up share capital of the Company.

2.2 Pursuant to Rules 803, 804 and 812(2) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"), the Company will

be seeking the approval of its shareholders for the Proposed Placement at an extraordinary general meeting ("**EGM**") to be convened.

3. PRINCIPAL TERMS OF THE PROPOSED PLACEMENT

3.1 Placement Price

The Placement Price represents a discount of approximately 99.2% to the volume weighted average price of the Shares of S$0.062 based on trades done on the Catalist of the SGX-ST on 5 January 2016[(1)], being the last full market day preceding the date on which the Placement Term Sheet was signed. The discount of approximately 99.2% exceeds the 10% discount limit as stated in Rule 811(1) of the Catalist Rules. Accordingly, the Company will be seeking specific approval of its shareholders for the issue and allotment of the Placement Shares pursuant to Rule 811(3) of the Catalist Rules.

3.2 Placement Shares

Pursuant to Section 161 of the Act and Rule 805(1) of the Catalist Rules, the issue and allotment of the Placement Shares is subject to shareholder approval. The Company will be seeking specific approval of its shareholders for the issue and allotment of the Placement Shares at the EGM to be convened.

The Placement Shares represent approximately 925.9% of the total number of issued Shares in the share capital of the Company of 216,000,000 as at the date of this announcement. Assuming that all the Scheme Shares are issued under the Scheme, on completion of the Proposed Placement, the total number of issued Shares in the share capital of the Company will increase to 2,729,253,613 and the Placement Shares will represent approximately 73.28% of the issued share capital of the Company on an enlarged basis.

3.3 Conditions Precedent

Completion of the Proposed Placement is conditional upon, *inter alia*:

(a) the Subscriber having undertaken and completed due diligence investigations on all operational, financial and legal matters and considerations in relation to the Company, and the results of such due diligence investigations being satisfactory to the Subscriber in its sole and absolute discretion;

(b) the approval of the Scheme by (i) the Board, (ii) the creditors of the Company, and/or (iii) such other necessary party in compliance with the requirements of Section 210 of the Act;

(c) the approval of the Proposed Placement by (i) the Board and (ii) the shareholders of the Company;

(d) the sanction of the Scheme by the Singapore courts pursuant to Section 210(3) of the Act and such court order ("**Court Order**") having become final and effective;

(e) the lodgement of the Court Order with the Accounting and Corporate Regulatory Authority of Singapore in accordance with Section 210(5) of the Act;

(f) all regulatory approvals being obtained and not withdrawn, including without limitation, the approval-in-principle from the SGX-ST for (i) the allotment and the issue of the Placement Shares, and (ii) the dealing in and quotation for the Placement Shares and Scheme Shares on the SGX-ST, and where any of the aforesaid confirmation, waiver or

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(1) Being the last traded day prior to a trading halt that was imposed on 8 January 2016 and a voluntary suspension of trading in Shares on 13 January 2016.

approval is obtained subject to any conditions, such conditions being reasonably acceptable to the Subscriber;

(g) the satisfaction of any condition(s) that may be imposed by SGX-ST, insofar as such condition(s) need to be fulfilled, and provided further that such confirmation, waiver and approval are not revoked, rescinded or cancelled;

(h) the Securities Industry Council of Singapore ("**SIC**") having granted the Subscriber and its concert parties (and not having revoked or repealed such grant) a waiver of the Subscriber's obligation to make a mandatory offer under Rule 14 of the Singapore Code on Take-overs and Mergers ("**Code**") for the shares in the Company not held by the Subscriber and its concert parties and from having to comply with the requirements of Rule 14 of the Code including but not limited to pre-clearance from the SIC on any issues in connection with the Proposed Placement that the Subscriber and/or the Company may consider necessary, subject to (i) any conditions that the SIC may impose, provided that such conditions are reasonably acceptable to the Subscriber and its concert parties; and (ii) the independent shareholders approving at the EGM the whitewash resolution ("**SIC Waiver**");

(i) the Company remaining listed on the SGX-ST and there being no notice or proposal for the delisting of the Company;

(j) there being no material adverse change (as reasonably determined by the Subscriber) in the business, operations, properties, prospects or financial condition of the Company;

(k) the respective representations and warranties of the Company set out in the Definitive Agreement being true and correct;

(l) the allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore (including the SGX-ST and the SIC) which is applicable to the Company or the Subscriber;

(m) the Company has complied with or will comply with all legal and other requirements necessary for the issue of the Placement Shares and performance of its obligations under the Placement Agreement; and

(n) no prescribed occurrence of the following events in relation to the Company occurs other than as required or contemplated by the Scheme or the Proposed Placement:

(i) Injunctions: an injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme;

(ii) Resolution for winding up: any party resolving that the Company be wound up;

(iii) Order of Court for winding up: the making of an order by a court of competent jurisdiction for the winding up of the Company; and

(iv) Litigation: any legal proceedings or claims against the Company.

3.4 Exclusivity

Pursuant to the terms of the Placement Term Sheet, subject to the written consent of the Subscriber, the Company will not, and will procure that none of its Directors, subsidiaries, employees, agents or professional advisers shall:

(a) initiate, engage in, continue or enter into any discussions, negotiations or correspondences with any third party (other than the relevant professional advisers for the Proposed Placement) relating to:

(i) fund raising exercise, including but not limited to, subscription for any shares in the Company and/or issuance of convertible instruments by the Company; or

(ii) any corporate exercise, including but not limited to, acquisition of any assets or such exercise that may lead to issuance of shares by the Company.

(b) directly or indirectly solicit or invite enquiries, proposals or offers in relation to the matters set out in (a) above; or

(c) grant to any third party access to the confidential information, books, accounts, records and other information relating to the Company and its subsidiaries or to the employees for the purposes of evaluating the possible transaction with a view to consummate any corporate exercise in relation to the matters set out in (a) above.

The exclusivity period shall expire after a period of six (6) months from the date of signing of the Placement Term Sheet or upon the termination of the Proposed Placement, whichever is earlier.

4. RATIONALE FOR THE PROPOSED PLACEMENT AND USE OF PROCEEDS

Based on the current financial status of the Company, the Company is practically insolvent as its aggregate liabilities (including contingent liabilities) exceed its total assets.

The Company requires funds in order to carry out the Scheme and restructure its debts and liabilities. The gross proceeds from the Proposed Placement will be S$1,000,000. The Company intends to use up to 25% of the proceeds from the Proposed Placement for the payment of professional fees in relation to this Proposed Placement and the Scheme and fund the Company's working capital to facilitate the restructuring, and the balance proceeds from the Proposed Placement to compromise in full all actual and contingent claims against the Company pursuant to the Scheme.

The Board is of the opinion that, after taking into consideration that there are no bank facilities available to the Group:

(a) the working capital available to the Group is not sufficient to meet its present requirement; and

(b) with the net proceeds of the Proposed Placement, the working capital available to the Group will not be sufficient to meet its present requirements.

Despite of the above, the Board is of the view that the Proposed Placement is crucial in the restructuring of the Company’s debts and liabilities and in keeping the possibility of the Company executing any future business or restructuring plans.

5. THE PROPOSED PLACEMENT AS INTERESTED PERSON TRANSACTION

The Subscriber is the Non-Executive Chairman and controlling shareholder of the Company. Accordingly, the Subscriber is considered an “interested person” within the meaning of Chapter 9 of the Catalist Rules and the Proposed Placement is an interested person transaction within the meaning of Chapter 9 of the Catalist Rules.

Pursuant to the Proposed Placement, the value of the interested person transaction to be entered into between the Subscriber and the Company will amount to S$1.0 million which represents approximately 6.8% of the net tangible assets of the Group of S$14.7 million based on the latest audited consolidated financial statements for the financial year ended 31 December 2014.

Independent shareholders' approval is therefore required for the Proposed Placement pursuant to Rule 906(1) of the Catalist Rules.

6. CIRCULAR TO SHAREHOLDERS

The Proposed Placement is conditional upon the Company having obtained specific shareholders' approval.

A circular to the shareholders containing, *inter alia*, information on the Proposed Placement and the advice of the independent financial adviser will be despatched to shareholders in due course.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for Mr Lim Chwee Kim, being the Subscriber, none of the Directors or the controlling shareholders of the Company or their respective associates have any interest, direct or indirect, in the Proposed Placement, other than through their respective shareholdings in the Company.

8. DIRECTORS' RESPONSIBILITY STATEMENTS

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Placement Term Sheet and the Proposed Placement, the Company and its subsidiaries and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors have been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

9. CAUTIONARY STATEMENT

Shareholders are advised to exercise caution when dealing in Shares. Shareholders should note that the Proposed Placement is subject to the negotiation, execution and delivery of the Definitive Agreement and there is no assurance that the parties will enter into the Definitive Agreement in relation to the Proposed Placement. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors 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
21 December 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Advisors Private Limited ("**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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