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

PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF TOP CREATION INVESTMENT (HK) LIMITED

1. THE PROPOSED ACQUISITION

1.1 Introduction

The board of directors (the "**Board**") of Jason Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") refers to its announcements dated 3 March 2014, 30 May 2014 and 1 September 2014 (the "**MOU Announcements**") in relation to the non-binding memorandum of understanding ("**MOU**") for the proposed acquisition of the entire issued and paid-up share capital of Top Creation Investment (HK) Limited (the "**Target Company**", together with its subsidiaries, the "**Target Group**") by the Company from Initial Source Investment Co. Ltd. (the "**Vendor**").

Further to the MOU Announcements, the Company has entered into a sale and purchase agreement ("**SPA**") dated 28 November 2014 with the Vendor, pursuant to which the Company has agreed to acquire the Target Company from the Vendor on the terms and subject to the conditions of the SPA (the "**Proposed Acquisition**").

1.2 Effect of Completion

The Company intends to acquire the Target Group with a view to expanding into the business of wood composite manufacturing and plastic moulding in the People's Republic of China ("**PRC**"). Upon completion of the Proposed Acquisition ("**Completion**"), the Target Company will become a wholly-owned subsidiary of the Company.

2. INFORMATION ON THE TARGET GROUP AND THE VENDOR

2.1 Information on the Target Group

The Target Company is an investment holding company incorporated in the Hong Kong Special Administrative Region of the PRC.

In connection with the Proposed Acquisition, it is expected that a corporate restructuring shall be carried out ("**Proposed Restructuring**"), such that upon the completion of the Proposed Restructuring and prior to the Proposed Acquisition:

(a) the Vendor will be the sole legal and beneficial owner of the entire issued and fully paid share capital of the Target Company ("**Target Shares**");

(b) the Target Company will be the sole shareholder of Huzhou Rich Toys Production Co., Ltd. (湖州瑞祺玩具制造有限公司) ("**Target Subsidiary**"), a company incorporated in the PRC; and

(c) the Target Subsidiary will be the sole shareholder of Huzhou Xinfeng Wood Plastic Composite Co., Ltd. (湖州新峰木塑复合材料有限公司) ("**XFMS**"), a company incorporated in the PRC.

The Target Group is primarily engaged in the manufacturing of wood-plastic composite ("**WPC**") and plastic moulding in Huzhou City, Zhejiang Province, the PRC. WPCs are composite materials made of wood fibre/wood flour and thermoplastic(s), and are highly resistant to rot, decay, and insect attacks. They are commonly used for outdoor deck floors, and also used for railings, fences, landscaping timbers, cladding and siding, park benches, moulding and trim, window and door frames, and indoor furniture. WPCs are more environmentally friendly and require less maintenance than alternatives such as solid wood treated with preservatives, or solid wood of rot-resistant tree species. Plastic moulding is a process of shaping plastic using a rigid frame or mould. The technique allows for the creation of objects of all shapes and sizes with huge design flexibility for simple and complex designs. Plastic moulding techniques are responsible for many car parts, containers, signs and other high volume items.

The Target Group will, among other things, own and operate one factory manufacturing WPCs and plastic moulding as well as two plots of land and one office premise in Huzhou City, Zhejiang Province, the PRC.

2.2 Information on the Vendor

The Vendor is a company incorporated in the British Virgin Islands, and is wholly-owned by Shen Shui Liang ("**SSL**") as at the date of this announcement.

SSL has, through companies controlled by him, been a supplier of WPCs to the Company since 2010. SSL does not have any shareholding interests (direct or indirect) in the Company as at the date of this announcement. SSL is not related to any of the Company's substantial shareholders or directors, or their respective associates.

3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

3.1 Purchase Consideration

The total consideration payable by the Company to the Vendor for the Target Shares ("**Purchase Consideration**") is RMB130,000,000.

The Purchase Consideration was determined between the Company and the Vendor, at arm's length, on a willing buyer willing seller basis, after taking into account the future earnings and growth potential of the Target Group, the opportunity offered to the Group to expand its existing business into complementary, eco-friendly businesses and to expand into overseas markets, and the management's estimation of the revaluation of the assets to be acquired based on the audited accounts of XFMS as at 30 June 2014.

The Purchase Consideration shall be satisfied wholly by the following:

(a) as to RMB30,000,000, in cash, which shall be payable on Completion in the equivalent amount in Singapore dollars applying the agreed exchange rate of S$1 = RMB4.8 ("**Agreed Exchange Rate**");

JASON HOLDINGS LIMITED
Co. Reg. No. 201119167Z
16 Tampines St 92 JP Building Singapore 528873
Tel: (65) 6783 2727 Fax: (65) 6782 2727
Website: www.jasonparquet.com Email: info@jasonparquet.com

(b) as to RMB33,000,000, by way of the allotment and issue by the Company to the Vendor (or its nominee, if any) on Completion of such number of consideration shares (“**Consideration Shares**”) credited as fully paid up in the capital of the Company at the Consideration Share Price (as defined below) as calculated in accordance with the following formula:

$$X = Y / Z$$

where:

X = the number of Consideration Shares to be allotted and issued;

Y = the equivalent amount in Singapore dollars of RMB33,000,000, applying the Agreed Exchange Rate; and

Z = the issue price per Consideration Share equivalent to the volume weighted average price per share of the Company’s shares quoted by the SGX-ST for the 30 consecutive trading days immediately preceding the date of the SPA (“**Consideration Share Price**”);

(c) as to RMB 39,000,000, by way of the allotment and issue by the Company to the Vendor (or its nominee, if any) on Completion of such number of shares (“**Earn-Out Consideration Shares**”) credited as fully paid up in the capital of the Company at the Consideration Share Price as calculated in accordance with the following formula:

$$X = Y / Z$$

where:

X = the aggregate number of Earn-Out Consideration Shares which may be allotted and issued;

Y = the equivalent amount in Singapore dollars of RMB39,000,000, applying the Agreed Exchange Rate; and

Z = the Consideration Share Price; and

(d) by way of the assumption on Completion of debts of up to RMB28,000,000 owing by the Vendor and/or its affiliates to the Target Group ("**Related Party Debt**") as at Completion. Any debts owing by the Vendor and/or its affiliates to the Target Group in excess of RMB28,000,000 as at Completion shall continue to be borne by the Vendor and/or its affiliates.

The Consideration Shares and the Earn-Out Consideration Shares shall rank *pari passu* in all respects with the then issued ordinary shares in the capital of the Company save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Consideration Shares and the Earn-Out Consideration Shares.

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3.2 Assets and Liabilities of the Target Group Accruing to the Vendor and to the Company

Save for the assets of the Target Group specified in the SPA ("**Business Assets**"), the Related Party Debt and a loan of up to RMB28,000,000 owing by the Target Group to a third party bank, all other assets, liabilities, cash, inventory, account receivables, account payables, loans, retained earnings and other items on the balance sheet of the Target Group ("**Designated Assets and Liabilities**") as at 1 January 2015 ("**Designated Accounting Date**") shall accrue to the Vendor. For the avoidance of doubt, all Designated Assets and Liabilities of the Target Group after the Designated Accounting Date shall accrue to the Company, notwithstanding that Completion has not taken place as at the Designated Accounting Date.

The parties to the SPA ("**Parties**") shall procure an auditor to draw up a balance sheet of the Target Group as at the Designated Accounting Date. Upon the completion of the financial year ending 31 December 2015, the Parties shall procure the auditor to ascertain the net amount of the Designated Assets and Liabilities as at the Designated Accounting Date that has been realised ("**Relevant Balance**"), and:

(a) if the Relevant Balance is positive, the Company shall pay the Vendor an additional sum equivalent to the Relevant Balance within one month after the aforesaid determination by the auditor; and

(b) if the Relevant Balance is negative, the Vendor shall pay the Company a sum equivalent to the Relevant Balance within one month after the aforesaid determination by the auditor.

3.3 Earn-Out

The Earn-Out Consideration Shares shall, upon allotment and issuance, be held in escrow and be released to the Vendor (or its nominee, if any), in the following manner:

In respect of each of the first three full financial years of the Target Group following Completion (each, an "**Earn-Out Period**"), the Vendor shall be entitled to have the relevant number of Earn-Out Consideration Shares transferred to it (or its nominee, if any) by an escrow agent to be appointed by the parties ("**Escrow Agent**") in accordance with the following formula:

$$X = (Y / A) \times Z$$

where:

X = the number of Earn-Out Consideration Shares to be released from escrow for the relevant Earn-Out Period;

Y = the audited net profit after tax in accordance with the Financial Reporting Standards of Singapore ("**Audited PAT**") of the Target Group for the relevant Earn-Out Period, expressed in Singapore dollars, applying the Agreed Exchange Rate (if applicable);

Z = the total number of Earn-Out Consideration Shares allotted and issued on Completion and held in escrow; and

JASON HOLDINGS LIMITED
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A = the equivalent amount in Singapore dollars of RMB39,000,000, applying the Agreed Exchange Rate,

save that:

(a) in the event that the aggregate Audited PAT of the Target Group during the three Earn-Out Periods exceeds the equivalent amount in Singapore dollars of RMB39,000,000, applying the Agreed Exchange Rate, any amounts in excess of the equivalent amount in Singapore dollars of RMB39,000,000, applying the Agreed Exchange Rate shall be disregarded;

(b) in the event that the accounts of the Target Group reflect a loss in any Earn-Out Period, such loss shall be offset against the Audited PAT of the Target Group (if any) in a subsequent Earn-Out Period and only the amount of Audited PAT of the Target Group in excess of such loss shall be utilised in determining the Vendor's rights to any Earn-Out Consideration Shares; and

(c) in the event that, at the end of the third and final Earn-Out Period, the aggregate Audited PAT of the Target Group during the three Earn-Out Periods is less than the equivalent amount in Singapore dollars of RMB39,000,000, applying the Agreed Exchange Rate, the Vendor's rights to any Earn-Out Consideration Shares in respect of any amounts exceeding the aggregate Audited PAT of the Target Group during the three Earn-Out Periods shall be forfeited.

3.4 Conditions Precedent

Completion of the Proposed Acquisition shall be conditional upon the fulfilment and/or waiver of, *inter alia*, the following conditions precedent on or before 31 March 2015 (or such other date as the parties may agree in writing) ("**Long-stop Date**"):

(a) the Proposed Restructuring being completed to the absolute satisfaction of the Company and in accordance with all applicable laws, including but not limited to:

(i) the obtaining of any requisite consents, approvals or waivers from the relevant PRC authorities for the transfer of the Target Shares to the Vendor, the transfer of all the equity interest in the Target Subsidiary to the Target Company and the transfer of all the equity interest in XFMS to the Target Subsidiary;

(ii) the approval of the shareholders and/or directors of each member of the Target Group (each, a "**Target Group Company**") for the Proposed Restructuring (if required); and

(iii) the obtaining of any requisite consents, approvals or waivers from the relevant PRC authorities for the transfer of all assets relevant to the business of the Target Group including the manufacture of WPCs and the plastics moulding business to the Target Group (if required),

and such consents, approvals and waivers not having been amended or revoked before Completion, and if any such consents, approvals or waivers are subject to conditions, such conditions being acceptable to the Company acting reasonably;

JASON HOLDINGS LIMITED
Co. Reg. No. 201119167Z
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(b) the complete assignment of all patents, tenancies, licences, permits, rights and benefits relevant to the business of the Target Group (including the manufacture of WPCs and the plastics moulding business) to the Target Group (if required) insofar as these are held by the Vendor or SSL;

(c) save as disclosed in the disclosure letter by the Vendor, the Target Group having no debts or liabilities, and no encumbrance on any of its assets, save for those incurred in the ordinary course of its business;

(d) the net asset value of the Business Assets of the Target Group (as determined by an independent valuer) not being less than RMB120,000,000;

(e) the respective parties having obtained all necessary approvals and consents from all relevant governmental, regulatory, judicial or other authorities and third parties (including financial institutions) in Singapore and the PRC in respect of the Proposed Acquisition, including but not limited to:

  (i) where applicable, the SGX-ST's approval having been obtained for the purchase of the Target Shares on the terms set out in the SPA;

  (ii) where applicable, the issue of a listing notice by the SGX-ST for the Consideration Shares and the Earn-Out Consideration Shares, and where the issue of the listing and quotation notice is subject to any conditions, such conditions being reasonably acceptable to the parties;

  (iii) where applicable, approval from the SGX-ST having been given and not having been withdrawn for the admission of the Consideration Shares and the Earn-Out Consideration Shares to the Catalist Board of the SGX-ST and the dealing of the Consideration Shares and the Earn-Out Consideration Shares on the Catalist Board of the SGX-ST, upon allotment and issue;

  (iv) the approval of any financial institution which may be required for the Proposed Acquisition (including the issue of the Consideration Shares and the Earn-Out Consideration Shares) under the terms of the Company's agreements with such financial institutions; and

  (v) the approval of the relevant PRC authority for the novation to the Vendor of all the rights, liabilities, duties and obligations under the Related Party Debt,

  and if such approval is obtained subject to any conditions, such conditions being acceptable to the parties, and if such conditions are required to be fulfilled before the date on which Completion shall take place, such conditions being fulfilled before such date;

(f) the completion of the Company's due diligence (including legal, tax and financial due diligence and valuation assistance) on and the audit and investigations of all the affairs of the Target Group Companies, and the results of such due diligence investigations being to the reasonable satisfaction of the Company, regardless of whether any of the results of such due diligence investigation have been disclosed in the disclosure letter;

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(g) there having been no material adverse changes to the Target Group or the business of the Target Group prior to the completion of the Proposed Acquisition;

(h) the passing of a resolution by the shareholders of the Vendor approving the transactions contemplated by the SPA, including the sale of the Target Shares by the Vendor to the Company;

(i) the passing of a resolution by the shareholders of the Company approving the transactions contemplated by the SPA, including approval for the issue of the Consideration Shares and the Earn-Out Consideration Shares to the Vendor, and the expansion of the Company's business into the wood composite manufacturing and plastics moulding business;

(j) the approval of the respective boards of directors of the Company, the Vendor and the Target Company for the Proposed Acquisition and the transactions contemplated under the SPA having been obtained;

(k) the Vendor and the shareholders of the Vendor have executed non-competition undertakings in favour of the Company in such form acceptable to the Company, such non-competition undertakings to apply for so long as SSL shall be appointed as a director of the Company or as the managing director of the Target Group and legal representative of the Target Subsidiary and XFMS, and for a period of one year thereafter;

(l) SSL entering into a deed of guarantee and indemnity (in a form satisfactory to the Company) to provide security to the Company for the Vendor's obligations under the SPA and all agreements and obligations entered into pursuant to the SPA;

(m) the delivery of the disclosure letter (if any) by the Vendor to the Company and such disclosures being satisfactory to the Company in its absolute discretion;

(n) the completion of the Vendor's due diligence (including legal, tax and financial due diligence and valuation assistance) on and the audit and investigations of all the affairs of the Group, and the results of such due diligence investigations being to the reasonable satisfaction of the Vendor;

(o) there having been no material adverse changes to the Group or the business of the Group prior to the completion of the Proposed Acquisition;

(p) the Company having entered into a service agreement with SSL for his employment with the Target Group as managing director and legal representative of the Target Subsidiary and XFMS for a duration of three years, and on such other terms to be mutually agreed;

(q) the Company having obtained the requisite approvals for the appointment of SSL (or his nominee) to the board of directors of the Company on Completion;

(r) the Related Party Debt having been novated to the Vendor;

(s) the issue of such amount of convertible bonds by the Company as the Company may decide for the purposes of the Proposed Acquisition, pursuant to the bond subscription agreement dated 21 March 2014 between the Company and Teranova Group Limited ("**Bond Subscription Agreement**"),

JASON HOLDINGS LIMITED
Co. Reg. No. 201119167Z
16 Tampines St 92 JP Building Singapore 528873
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Website: www.jasonparquet.com Email: info@jasonparquet.com

and in accordance with the terms and conditions of the Bond Subscription Agreement;

(t) the confirmation by the Parties of the Designated Assets and Liabilities of the Target Group as at the Designated Accounting Date and the Relevant Balance to be settled in accordance with the terms of the SPA; and

(u) the delivery to the Company of the audited proforma consolidated accounts in relation to the Target Group for the financial years ended or ending, as the case may be, 31 December 2012, 31 December 2013 and the half year ended 30 June 2014, prepared in accordance with the Financial Reporting Standards of Singapore.

If the conditions precedent are not satisfied or waived on or before the Long-stop Date, the SPA shall lapse and cease to have further effect, save for certain clauses on, amongst other things, confidentiality and any antecedent breach of any provision of the SPA by any party.

The Company and the Vendor shall each be entitled (but not bound) to waive in whole or in part performance required of certain of the conditions precedent provided that any such waiver by the relevant party is permissible under law and shall be in writing.

3.5 Moratorium

The Vendor has agreed and undertaken that it shall, and shall procure its nominees (if any) to, execute such moratorium undertakings not to, directly or indirectly, sell, contract to sell, offer, realise, transfer or otherwise dispose of:

(a) any of the Consideration Shares which may be issued to it on Completion; or

(b) any of the Earn-Out Consideration Shares which may be issued to it,

for a period of 24 months after the date of Completion, or such other period as may be required by the SGX-ST.

The Vendor shall procure SSL to execute a moratorium undertaking not to, directly or indirectly, sell, contract to sell, offer, realise, transfer or otherwise dispose of, any part of SSL's shareholdings in the share capital of the Vendor for a period of 24 months after the date of Completion, or such other period as may be required by the SGX-ST.

4. RATIONALE FOR THE PROPOSED ACQUISITION

The Board believes that the Proposed Acquisition would be a vertical expansion of the Company's business, and create meaningful synergies between the principal activities of the Company and the Target Group. In particular, the Proposed Acquisition will help to ensure a steady supply of WPCs for the Company's installation services, which is important as WPCs are increasingly in demand in Singapore and worldwide due to the rising trend towards using more environmentally friendly materials in construction.

The Proposed Acquisition also has the potential to enhance shareholder value due to, among other things, the provision of complementary manufacturing and installation services to the Company and the Target Group's combined customer

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base and the sharing of global marketing and sales channels, technologies and management expertise.

The Board is also of the view that the Proposed Acquisition represents a significant opportunity for the Company to expand globally, particularly in the PRC, given the Target Group's significant WPC manufacturing expertise and market share in the PRC.

5. SOURCES OF FUNDS FOR THE PROPOSED ACQUISITION

The cash component of the Purchase Consideration shall be satisfied out of the internal funds of the Company and the proceeds from the issue of convertible bonds pursuant to the Bond Subscription Agreement announced by the Company on 24 March 2014 ("**Bond Subscription Announcement**").

6. COMPANY'S CONSULTANT

6.1 Engagement of consultant

Teranova Group Limited ("**Teranova**") has been engaged by the Company as a consultant to the Proposed Acquisition. The scope of services rendered by Teranova pursuant to such engagement includes:

Reviewing the financial terms of any sale and purchase agreement to be entered into by the Company and the Group;

Co-ordinating the due diligence process if required by the Company and the Group for the purpose of preparing the circular and supporting documents in relation to the Proposed Acquisition;

Advising the Company and the Group on the appointment of other professional advisers involved in the Proposed Acquisition;

Working with other professional advisers in the drafting of the circular and other submission documents for compliance with the requirements of the SGX-ST and any applicable laws and regulations; and

Planning and co-ordinating the activities of all parties involved in the Proposed Acquisition.

6.2 Fees

Pursuant to the terms of Teranova's engagement, the Company has agreed to pay to Teranova:

(a) A retainer fee of S$80,000; and

(b) Upon the successful completion of the Proposed Acquisition, a referral and consultancy fee ("**Consultancy Fee**") of 5.0% of the valuation of the Target Group (which is estimated at RMB130,000,000 or approximately S$27,083,333 based on the Agreed Exchange Rate), amounting to approximately S$1.4 million, payable in cash or shares in the Company.

For illustrative purposes only, assuming that the Consultancy Fee is satisfied by way of shares in the Company, this will result in the allotment and issue of

JASON HOLDINGS LIMITED
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3,312,541 new ordinary shares in the Company (calculated based on an issue price of S$0.4088 per share, being the volume weighted average price per share of the Company's shares quoted by the SGX-ST for the 30 consecutive trading days immediately preceding the date of the SPA) to Teranova, representing approximately 1.3% of the Company's enlarged share capital after the completion of the Proposed Acquisition.

The above fees have been agreed upon and negotiated between the Company and

Teranova after arm's length negotiations, and the Board is of the opinion that such fees are in the best interests of the Company and are in line with market practices for similar transactions.

6.3 Information on Teranova

Teranova is a company incorporated in the British Virgin Islands with its registered address at 190 Middle Road #10-06 Singapore 188979. It is an investment holding company, wholly-owned by Phoon Wui Nyen, who is not related to any of the Company's substantial shareholders or directors, or their respective associates.

As at the date of this announcement, Teranova is an existing shareholder of the Company holding 4,000,000 Shares representing 1.85% of the present issued and paid-up share capital of the Company. Phoon Wui Nyen is also an existing shareholder of the Company holding 2,540,000 Shares, and together with his indirect shareholdings in the Company through Teranova, holds a total shareholding interest in the Company (both direct and indirect) of 3.03% of the present issued and paid-up share capital of the Company.

Teranova does not fall under any of the persons set forth in Rule 812 of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Listing Manual**").

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

7.1 Illustrative Nature of Financial Effects

The financial effects of the Proposed Acquisition on the net tangible assets ("**NTA**") per share and earnings per share ("**EPS**") of the Group, have been prepared based on (a) the Group's audited consolidated financial statements for the financial year ended 31 December 2013; and (b) assuming the net profits attributable to the assets to be acquired is approximately S$1.6 million, are set out below. The financial effects below are purely for illustrative purposes and are therefore not necessarily indicative of the actual financial position of the Group after Completion.

7.2 NTA

Assuming that the Proposed Acquisition had been effected on 31 December 2013 (being the end of the most recently completed financial year ended 31 December 2013), the effects on the NTA per share of the Group would be as follows:

JASON HOLDINGS LIMITED
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	Before Proposed Acquisition	After Proposed Acquisition
NTA (S$ million)	14.2	25.8[(2)]
NTA per ordinary share (cents)	6.6[(1)]	9.4[(3)]

Notes:

(1) Based on the number of issued shares in the capital of the Company of 108,000,000 shares as at 31 December 2013 and after adjusting for the issuance and allotment of 108,000,000 new shares arising from the share split exercise undertaken by the Company in May 2014.

(2) The NTA has been determined after taking into account the NTA of the assets to be acquired of approximately S$11.9 million and the net cash outlay of S$0.25 million required from the Company to satisfy the cash portion of the Purchase Consideration, after utilising the S$6.0 million which the Company intends to raise from the issuance of S$6.0 million worth of convertible bonds pursuant to the Bond Subscription Agreement ("**Issued Convertible Bonds**").

(3) Based on the number of issued shares in the capital of the Company of 216,000,000 shares, the issue of the Consideration Shares and the Earn-Out Consideration Shares in full, and assuming that:

(a) the holders of the Issued Convertible Bonds opt to convert such bonds to shares in the Company as at 1 January 2013 at the volume weighted average price per share of the Company's shares quoted by the SGX-ST for the lowest three consecutive trading days during the 25 consecutive trading days immediately preceding this announcement, being S$0.3754, applied at 10% discount. Please refer to the Bond Subscription Announcement for further details on the conversion price of the Issued Convertible Bonds; and

(b) the Consultancy Fee is fully paid in shares in the Company to Teranova for the successful completion of the Proposed Acquisition and is paid as at 1 January 2013 and calculated based on an issue price of S$0.4088 per share, being the volume weighted average price per share of the Company's shares quoted by the SGX-ST for the 30 consecutive trading days immediately preceding the date of the SPA.

7.3 EPS

Assuming that the Proposed Acquisition had been effected on 1 January 2013 (being the beginning of the most recently completed financial year ended 31 December 2013), the effects of the Proposed Acquisition on the EPS of the Group would be as follows:

	Before Proposed Acquisition	After Proposed Acquisition
Profit / loss attributable to shareholders (S$ million)	(1.9)	(0.2)[(1)]
Weighted average no. of ordinary shares ('000)	216,000[(2)]	273,764[(3)]
EPS (cents)	(8.8)	(0.7)

Notes:

(1) RMB amount converted as at 27 Nov 2014 exchange rate of RMB4.7 to S$1.

(2) Assuming that the issuance and allotment of 108,000,000 new shares arising from the share split exercise undertaken by the Company in May 2014 had been effected on 1 January 2013.

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Notes *(continued)*:

(3) Based on the number of issued shares in the capital of the Company of 216,000,000 shares, the issue of the Consideration Shares and the Earn-Out Consideration Shares in full, and assuming that:

(a) the holders of the Issued Convertible Bonds opt to convert such bonds to shares in the Company as at 1 January 2013 at the volume weighted average price per share of the Company's shares quoted by the SGX-ST for the lowest three consecutive trading days during the 25 consecutive trading days immediately preceding this announcement, being S$0.3754, applied at 10% discount. Please refer to the Bond Subscription Announcement for further details on the conversion price of the Issued Convertible Bonds; and

(b) the Consultancy Fee is fully paid in shares in the Company to Teranova for the successful completion of the Proposed Acquisition and is paid as at 1 January 2013 and calculated based on an issue price of S$0.4088 per share, being the volume weighted average price per share of the Company's shares quoted by the SGX-ST for the 30 consecutive trading days immediately preceding the date of the SPA.

7.4 Maximum number of new shares

Based on the volume weighted average price per share of the Company's shares quoted by the SGX-ST for the 30 consecutive trading days immediately preceding the date of the SPA, of S$0.4088, it is envisaged that following completion of the Proposed Acquisition, the issue of the Consideration Shares and the Earn-Out Consideration Shares in full, and assuming that:

(a) the holders of the Issued Convertible Bonds opt to convert such bonds to shares in the Company as at 1 January 2013 at the volume weighted average price per share of the Company's shares quoted by the SGX-ST for the lowest three consecutive trading days during the 25 consecutive trading days immediately preceding this announcement, being S$0.3754, applied at 10% discount. Please refer to the Bond Subscription Announcement for further details on the conversion price of the Issued Convertible Bonds; and

(b) the Consultancy Fee is fully paid in shares in the Company to Teranova for the successful completion of the Proposed Acquisition and is paid as at 1 January 2013 and calculated based on an issue price of S$0.4088 per share, being the volume weighted average price per share of the Company's shares quoted by the SGX-ST for the 30 consecutive trading days immediately preceding the date of the SPA,

the Consideration Shares and Earn-Out Consideration Shares shall constitute approximately 13.4% of the enlarged share capital of the Company.

There will be no change of control of the Company as Jason Sim, the Executive Chairman and Chief Executive Officer of the Company would retain 37.9% of the enlarged share capital of the Company.

8. CHAPTER 10 OF THE LISTING MANUAL

8.1 Relative figures

The relative figures for the Proposed Acquisition, computed on the bases set out in Rule 1006 of the Listing Manual and based on the Company's unaudited financial statements for the half year ended 30 June 2014 ("**HY2014**"), respectively, are set out below.

JASON HOLDINGS LIMITED
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Website: www.jasonparquet.com Email: info@jasonparquet.com

Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	N.A.
(b)	Net profits attributable to the assets to be acquired, compared with the Group's net profits	1292.1(1)
(c)	Aggregate value of the consideration compared with the market capitalisation of the Company (based on the total number of issued shares, excluding treasury shares)	25.9(2)
(d)	Number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue	17.0
(e)	Aggregate volume or amount of proved and probable reserves to be disposal of, compared with the aggregate of the Group's proved and probable reserves	N.A.

Notes:

(1) Computed based on net profits attributable to the Target Group of approximately S$1.1 million for HY2014, compared to the Group's net profits of approximately S$0.1 million for HY2014.

(2) Computed based on market capitalisation of the Company on 28 November 2014 (market day preceding this announcement) of approximately S$104.8 million.

8.2 Classification

Based on the relative figures in Rule 1006 of the Listing Manual above, and as the only relative figure which exceeds 100% is that in respect of Rule 1006(b) of the Listing Manual, the Proposed Acquisition will not be regarded as a very substantial acquisition as the Proposed Acquisition is an acquisition of profitable assets[1] but a "discloseable transaction".

9. EXTRAORDINARY GENERAL MEETING

Notwithstanding the above, having considered the extent to which the Proposed Acquisition will result in an expansion of the Group's business to a new geographical market and business sector and may change the risk profile of the Group, the Board with the recommendation of the audit committee of the Company, intends to seek the approval of the shareholders of the Company at an extraordinary general meeting to be held in due course for the Proposed Acquisition.

[1] Rule 1015(8) of the Listing Manual provides that Rule 1015 of the Listing Manual does not apply in the case of an acquisition of profitable asset(s) if the only limit breached is Rule 1006(b) of the Listing Manual.

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10. SGX-ST LISTING APPROVAL

The Company will be making an application to the SGX-ST, through its sponsor, Canaccord Genuity Singapore Pte. Ltd., for the listing and quotation of the Consideration Shares, the Earn-Out Consideration Shares and the shares issued to Teranova as payment of its Consultancy Fee (if any) on the Catalist of the SGX-ST in due course.

11. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or the controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect, in the Proposed Acquisition, otherwise than through their interests in shares of the Company.

12. DIRECTORS' SERVICE CONTRACTS

SSL is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition, and to enter into a service agreement with the Company for his employment with the Target Group as managing director and legal representative of the Target Subsidiary and XFMS for a duration of three years, and on such other terms to be mutually agreed.

Save as disclosed above, no service contract is proposed to be entered into between the Company and any other person in connection with the Proposed Acquisition.

13. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be available for inspection at the registered office of the Company at 16 Tampines Street 92, JP Building, Singapore 528873, during normal business hours on any weekday (public holidays excepted) for a period of three months from the date of this announcement.

BY ORDER OF THE BOARD
JASON HOLDINGS LIMITED

Jason Sim Chon Ang
Executive Chairman and CEO

3 December 2014

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.

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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 Alex Tan, Chief Executive Officer, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.

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