

SMARTFLEX HOLDINGS LTD.
(Company Registration No. 201003501R)
Incorporated in the Republic of Singapore

UPDATE ON THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF AVH ANIMAL ARK PTE. LTD. (FORMERLY KNOWN AS ASIA VETS HOLDINGS PTE. LTD.)

– RECEIPT OF SGX WAIVER FROM STRICT COMPLIANCE WITH CERTAIN CATALIST RULES IN RESPECT OF THE CIRCULAR TO SHAREHOLDERS

*Unless otherwise defined, all capitalised terms herein shall bear the same meanings ascribed to them in the announcements released by Smartflex Holdings Ltd. (the “**Company**”) on 25 July 2017, 11 September 2017, 19 January 2018, 24 January 2018, 21 February 2018, 28 February 2018 and 25 April 2018 (the “**Announcements**”).*

The board of directors (the “**Board**” or the “**Directors**”) of the Company refers to the Announcements in relation to the proposed acquisition of the entire issued and paid-up share capital of AVH Animal Ark Pte. Ltd. (formerly known as Asia Vets Holdings Pte. Ltd.) (the “**Target**”) (the “**Proposed Acquisition**”).

As announced by the Company on 21 February 2018, the SGX-ST has no objection on the Company’s consultation that, notwithstanding that the Proposed Acquisition does not constitute a RTO or VSA as defined in Chapter 10 of the Catalist Rules, the assessment of whether the Proposed Acquisition will qualify for a new listing on the Catalist would be based on the admission requirements under Chapter 4 of the Catalist Rules. Accordingly, pursuant to Rule 1015(4)(a) of the Catalist Rules, read together with Rule 407(1) of the Catalist Rules, the circular to Shareholders in respect of the Proposed Acquisition (“**Circular**”) is required to, *inter alia*, comply with Parts II to XI of the Fifth Schedule, Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 (“**Fifth Schedule**”) (“**Relevant Rules**”).

Further to the Announcements, the Board wishes to announce that ZICO Capital Pte. Ltd. (“**ZICO Capital**”), in its capacity as the financial advisor to the Company in respect of the Proposed Acquisition, had submitted an application to the SGX-ST for a waiver of the Company’s strict compliance with the Relevant Rules, specifically the requirement to present the audited financial statements of the Target and/or the Enlarged Group as required under Paragraph 2(b) of the Fifth Schedule, and to only present the *pro forma* financial information of the Target for the financial years ended 31 December 2015, 2016 and 2017, working on the basis that both the Restructuring and the Proposed Acquisition were completed on 1 January 2015, in the Circular (the “**Waiver**”).

The bases for the Waiver are as follows:

- (a) the preparation of financial statements in respect of the Target or the Enlarged Group prior to the completion of the Proposed Acquisition and of the Restructuring respectively will not be a meaningful exercise due to the following:
 - (i) the Company is presently a cash company, and accordingly holds no subsidiaries or businesses. The Company will continue to be a cash company up until completion of the Proposed Acquisition; and
 - (ii) the Target is a special-purpose vehicle company incorporated in October 2016 for the purposes of the Proposed Acquisition, and therefore holds no material assets at present. The Target will only acquire assets on completion of the Restructuring; and
- (b) the *pro forma* financial information of the Target will be reflective of the new businesses to be acquired by the Target on Completion, and these financial statements would accordingly be a more accurate reflection of the track record of the Animal Ark Group for the financial years ended 31 December 2015, 2016 and 2017.

On 14 May 2018, the SGX-ST issued a letter to the Company stating that the SGX-ST has no objection to granting the Waiver, conditional upon the following:

- (i) the Company is to present the unaudited *pro forma* financial information of the Target for the financial years ended 31 December 2015, 2016 and 2017, working on the basis that both the Restructuring and the Proposed Acquisition were completed on 1 January 2015;
- (ii) ZICO Capital is to adopt the due diligence and disclosure requirements applicable to a VSA under Rule 1015 of the Catalist Rules in respect of the Proposed Acquisition and accordingly, be subject to Shareholders' approval. The information to be set out in the Circular will comply with the disclosure requirements for a VSA, as stipulated in Rule 1015(4) of the Catalist Rules (which includes compliance with the disclosure requirements of the Fifth Schedule), save for the Waiver; and
- (iii) compliance with the SGX-ST's listing rules,

as well as the adherence of the Company and/or ZICO Capital to all conditions listed in the letter from SGX-ST to the Company on 12 January 2018 (as described in the Company's announcement on 21 February 2018). The SGX-ST reserves the right to amend and/or vary the aforementioned decision and such decision is subject to changes in the SGX-ST's policies.

Shareholders and potential investors are advised to exercise caution when trading in the Shares of the Company. The Proposed Acquisition is subject to numerous conditions precedent and further due diligence by the Company. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be entered into or completed, or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition, and other matters contemplated by this announcement.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

TAN TONG GUAN
EXECUTIVE CHAIRMAN & CEO
15 May 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. 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 Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00, ASO Building, Singapore 048544, telephone (65) 6636 4201.