**A-SMART HOLDINGS LTD.**
(Company Registration No. 199902058Z)
(Incorporated in the Republic of Singapore)

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# PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE - UPDATE ON MWD SHAREHOLDER LOAN, SET-OFF ARRANGEMENTS, AND NET PROCEEDS

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## 1. INTRODUCTION

1.1 The board of directors ("**Board**" or "**Directors**") of A-Smart Holdings Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcements dated 18 June 2026 and 29 June 2026 in relation to a proposed renounceable non-underwritten rights issue ("**Previous Announcements**").

1.2 All capitalised terms used and not defined herein shall have the same meanings ascribed to them in the Previous Announcements.

## 2. MWD SHAREHOLDER LOAN AND SET-OFF ARRANGEMENTS

2.1 The Board wishes to update that the Company has received an additional unsecured loan of S$7,839,050.10 at an interest rate of 3% per annum from MWD ("**Additional Loan**"), and as at the date of this announcement, the Company has an aggregate principal amount of S$13,439,050.10 due to MWD ("**MWD Shareholder Loan**"). The MWD Shareholder Loan comprises three separate loans, of which two loans with an aggregate principal amount of S$5,600,000 that bears interest at 6% per annum, and the Additional Loan. The MWD Shareholder Loan is unsecured and repayable on demand.

2.2 Pursuant to the deed of set-off dated 27 July 2026 entered into between MWD and the Company ("**Deed of Set-Off**"), MWD and the Company have agreed as follows

(i) the Company's obligation to repay the outstanding principal amount owing under the MWD Shareholder Loan and MWD's obligation to pay the aggregate subscription monies payable by MWD and his spouse, Madam Jin Li Yan, in respect of their subscription for Rights Shares pursuant to the Rights Issue ("**Subscription Monies**") shall, on the date on which the Rights Shares are allotted and issued by the Company ("**Completion Date**"), be automatically and simultaneously discharged by way of legal and equitable set-off;

(ii) on the Completion Date, the amount to be set off shall be the lower of:

(a) the aggregate outstanding principal amount owing under the MWD Shareholder Loan; and

(b) the Subscription Monies;

(iii) where the Subscription Monies are equal to the aggregate outstanding principal amount owing under the MWD Shareholder Loan, the MWD Shareholder Loan shall be deemed to have been fully repaid and discharged by way of set-off, and MWD shall be deemed to have fully satisfied his obligation to pay the Subscription Monies;

(iv) where the Subscription Monies are less than the aggregate outstanding principal amount owing under the MWD Shareholder Loan, the Subscription Monies shall first be applied in full towards repayment of the outstanding principal amount owing under the MWD Shareholder Loan by way of set-off, and the Company shall repay the remaining outstanding principal balance of the MWD Shareholder Loan to MWD in cash within five (5) business days after the Completion Date;

(v) any accrued interest outstanding under the MWD Shareholder Loan as at the Completion Date shall not form part of the set-off and shall remain payable by the Company to MWD in accordance with the terms of the respective loan agreements;

(vi) upon completion of the set-off, the Company's obligations in respect of the principal amount owing under the MWD Shareholder Loan shall be discharged to the extent of the amount set off, and MWD shall be deemed to have satisfied his obligation to pay the Subscription Monies to the same extent. Neither party shall have any further claim against the other in respect of the principal amount discharged by way of such set-off; and

(vii) MWD shall not demand, require, accelerate, enforce or otherwise take any action to recover or procure repayment of all outstanding amounts owing by the Company to MWD under or in connection with the MWD Shareholder Loan or any part thereof, from the date of the Deed of Set-Off until the earlier of (a) the completion of the Rights Issue, or (b) the termination, withdrawal or lapse of the Rights Issue.

2.3 Accordingly, in view of the set-off arrangement contemplated under the Deed of Set-Off, MWD will not provide a confirmation of financial resources in connection with his Irrevocable Undertaking to the Company.

2.4 The Additional Loan does not result in any change to the aggregate shareholding interests to be held by MWD and his spouse, Madam Jin Li Yan, following completion of the Rights Issue. This is because the Additional Loan forms part of the MWD Shareholder Loan which is to be set off against the Subscription Monies pursuant to the Deed of Set-Off. The set off merely affects the manner in which the Subscription Monies are to be satisfied and does not affect the number of Rights Shares to be subscribed for by MWD and Madam Jin Li Yan or their ultimate shareholding interests in the Company following completion of the Rights Issue.

## 3. UPDATE ON NET PROCEEDS

3.1 The Board wishes to update that the net proceeds from the Rights Issue, after deduction of estimated expenses of approximately S$300,000 and after setting off the Subscription Monies against the outstanding principal amount owing by the Company to MWD under or in connection with the MWD Shareholder Loan pursuant to the Deed of Set-Off ("**Net Proceeds**"), are expected to be approximately S$13.1 million under both the Maximum Scenario and the Minimum Scenario.

## 4. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares. The completion of the Rights Issue is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Rights Issue will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors who are in any doubt about this announcement should consult their stockbroker, bank manager, solicitor, or another professional adviser.

**BY ORDER OF THE BOARD**

**Lim Huan Chiang**
Executive Director and Chief Executive Officer
5 August 2026