

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

Escrow Account Opened in Compliance with Rule 1017(1)(a) of the Catalist Rules

The Board of Directors (the “**Board**”) of Smartflex Holdings Ltd. (the “**Company**”) refers to the announcements released by the Company on 29 January 2016, 18 April 2016, 6 May 2016, and 20 July 2016 (the “**Announcements**”) in relation to the disposal of all the shares held by the Company in Smartflex Technology Pte Ltd and Smartflex Innovation Pte Ltd.

Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the Announcements.

Further to the Announcements, the Board wishes to update Shareholders that in accordance with Rule 1017(1)(a) of the Catalist Rules, a bank licensed and approved by the Monetary Authority of Singapore has been appointed as the Escrow Agent of the Company and accordingly an escrow account has been opened with such bank.

The Company has deposited the Escrow Amount of approximately S\$26,265,594 into the escrow account. The Escrow Amount represents approximately 90% of the total cash balance of the Company following completion of the Disposal.

The Company will provide monthly valuation of its assets and utilisation of cash, and quarterly updates of milestones in obtaining a new business, to the market via SGXNET

The Board wishes to remind the Shareholders that there is no assurance that the SGX-ST will not suspend the trading and listing of the Shares or that the Company will be able to acquire a new business that meets the SGX-ST's requirements for a new listing within the timeframe prescribed by the SGX-ST. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

By Order of the Board

TAN TONG GUAN
EXECUTIVE CHAIRMAN
4 August 2016

This announcement and its contents have been reviewed by the Company's sponsor, RHT Capital Pte Ltd (“**Sponsor**”), for compliance with the relevant rules of the 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. The Sponsor and the SGXST assume 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 Chew Kok Liang, Registered Professional, RHT Capital Pte Ltd, Six Battery Road, #10-01, Singapore 049909, telephone (65) 6381 6757.