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

PROPOSED PLACEMENT OF 29,812,473 NEW ORDINARY SHARES AT THE ISSUE PRICE OF S$0.18 PER SHARE TO OEI HONG LEONG

1. BACKGROUND

1.1 The Board of Directors (the "**Board**" or the "**Directors**") of A-Smart Holdings Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 8 December 2022 entered into a placement agreement (the "**Placement Agreement**") with Oei Hong Leong (the "**Subscriber**") for the issue and allotment by the Company to the Subscriber of an aggregate number of 29,812,473 new ordinary shares (the "**Subscription Shares**") in the capital of the Company ("**Shares**") on the terms and subject to the conditions of the Placement Agreement (the "**Proposed Placement**").

1.2 Pursuant to the terms of the Placement Agreement, the Company proposes to raise capital by issuing the Subscription Shares to the Subscriber at an issue price of S$0.18 per Subscription Share (the "**Issue Price**"), to raise gross proceeds of S$5,366,245.14.

1.3 The Subscription Shares will not be allotted and issued pursuant to the general share issue mandate obtained from and passed by the Company's shareholders ("**Shareholders**") at the Company's annual general meeting held on 29 November 2022 (the "**Share Issue Mandate**"). The Proposed Placement is conditional upon, *inter alia*, approval from Shareholders at an extraordinary general meeting to be convened ("**EGM**"). A circular (the "**Circular**") will be despatched to Shareholders in due course for the purpose of seeking Shareholders' approval for the Proposed Placement and the resulting transfer of controlling interest in the Company to the Subscriber (the "**Proposed Transfer of Controlling Interest**").

1.4 The Proposed Placement is not underwritten, and no placement agent will be appointed for the Proposed Placement. The Proposed Placement will be undertaken pursuant to a private placement exemption under Section 272B of the Securities and Futures Act 2001 of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

2. INFORMATION ON THE SUBSCRIBER

2.1 Details of the Subscriber and the number of Subscription Shares to be subscribed by the Subscriber are set out below:

Name of Subscriber	Number of Subscription Shares to be Subscribed	Aggregate Consideration (S$)	Subscription Shares as a % of thew Existing Issued Share Capital[(1)]	Subscription Shares as a % of the Enlarged Issued Share Capital[(2)]	Total Shareholding as a % of the Enlarged Issued Share Capital[(3)]
Oei Hong Leong[(4)]	29,812,473	5,366,245.14	20.00	16.67	16.67

Notes:

(1) Number of Subscription Shares divided by the existing number of issued Shares of 149,062,362.

(2) Number of Subscription Shares divided by the enlarged number of issued Shares of 178,874,835 upon completion of the Proposed Placement.
(3) Existing shareholding (if any) aggregated with the number of Subscription Shares, divided by the enlarged number of issued Shares of 178,874,835 upon completion of the Proposed Placement. As at the date of this announcement, the Subscriber does not hold any Shares in the capital of the Company.
(4) The Subscriber does not fall within any of the restricted class of persons to whom the Company is prohibited from issuing shares to, as provided for under Rule 812 of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual.

2.2 The Subscriber is a Singaporean businessman and investor with interests in a range of industries, including steel, coffee, healthcare and real estate. The Subscriber is the chairman of, *inter alia*, Oei Hong Leong Foundation Pte. Ltd., Oei Hong Leong Art Museum Limited and Canadian Metropolitan Properties Corporation.

2.3 The Subscriber was introduced to the Company by Lim Huan Chiang, the Executive Director and Group Chief Executive Officer of the Company, who is a long-time acquaintance of the Subscriber. No introducer or other fees will be paid to Lim Huan Chiang in connection with his introduction of the Subscriber to the Company.

2.4 To the best of the Company's knowledge, the Subscriber is subscribing for the Subscription Shares pursuant to the Proposed Placement as the business model and strategy of the Company are in line with his investment strategies. Moreover, the Subscriber is also confident that the Company's prospects remain healthy and encouraging.

2.5 The Subscriber has represented to the Company that he is subscribing for the Subscription Shares for his own account for investment and will not hold the Subscription Shares in trust or as a nominee for other persons. The Subscriber does not fall within any of the categories of persons whom the Company is prohibited from issuing shares to, as provided for by Rule 812 of the SGX-ST Listing Manual. To the best of the Company's knowledge, save in relation to the Proposed Placement and as disclosed in paragraph 2.3 above, the Subscriber does not have any connection (including business relationship) with the Company, its Directors and/or its substantial Shareholders.

3. THE PROPOSED PLACEMENT

3.1 The Issue Price and Consideration

The Subscriber proposes to subscribe for an aggregate of 29,812,473 Subscription Shares for an aggregate consideration of S$5,366,245.14 (the "**Consideration**") at an Issue Price of S$0.018. The Issue Price represents a premium of 50% to the volume-weighted average price of S$0.12 per Share for trades done on the Company's Shares on the SGX-ST on 6 December 2022, being the last full market day on which the Company's Shares were traded immediately preceding the date of the Placement Agreement and the trading halt called by the Company on 7 December 2022.

3.2 The Subscription Shares

The existing total number of issued and paid-up ordinary shares in the share capital of the Company ("**Shares**") as at the date of this announcement and prior to the issue of the Subscription Shares is 149,062,362. Assuming that all of the 29,812,473 Subscription Shares are issued on completion of the Proposed Placement, the Company's issued and paid-up share capital (excluding treasury shares) will increase to 178,874,835 Shares. The Subscription Shares represent approximately 20.00% of the existing issued and paid-up share capital (excluding treasury shares) of the Company as at the date of this announcement and approximately 16.67% of the enlarged issued and paid-up share capital (excluding treasury shares) of the Company upon completion of the Proposed Placement.

In view of the above, upon completion of the Proposed Placement, the Subscriber will become a controlling shareholder of the Company.

The Company shall issue the Subscription Shares free from all claims, charges, liens and other encumbrances whatsoever and the Subscription Shares shall rank *pari passu* in all respects with and carry all rights similar to existing Shares, except that they will not rank for any dividend,

right, allotment or other distributions, the record date for which falls on or before the completion of the Proposed Placement.

Rule 805(1) of the Listing Manual states that except as provided in Rule 806 (i.e. where shares are issued pursuant to a general mandate), an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer. Rule 803 of the Listing Manual further states that an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting.

As the Subscription Shares will not be allotted and issued pursuant to the Share Issue Mandate and the Proposed Placement will result in a transfer of controlling interest in the Company to the Subscriber, the Proposed Placement is conditional upon, *inter alia*, the approval of Shareholders at the EGM to be convened, in compliance with Rules 803 and 805(1) of the Listing Manual.

3.3 **Conditions**

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

(a) Shareholders' approval for the Proposed Placement and the Proposed Transfer of Controlling Interest having been obtained by the Company at the EGM;

(b) the Company procuring an undertaking from its controlling shareholder, Ma Weidong, that he will vote in favour of the Proposed Placement and the Proposed Transfer of Controlling Interest at the EGM;

(c) approval in-principle for the listing and quotation of the Subscription Shares on the Official List of the SGX-ST being obtained from the SGX-ST and not revoked or amended as at the Completion Date and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Subscriber;

(d) the issue and subscription of the Subscription Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Placement Agreement by any applicable legislative, executive or regulatory body or authority;

(e) there having been no occurrence of any event or discovery of any fact rendering any of the warranties in the Placement Agreement untrue or incorrect in any material respect as at the Completion Date as if they had been given again on the Completion Date; and

(f) the Company and the Subscriber not being in breach of any of the undertakings and the covenants in the Placement Agreement as at the Completion Date.

If the conditions set forth in paragraphs 3.3(a), (b) and (c) above are not satisfied by 30 April 2023 (or such other date as may be mutually agreed between the Company and the Subscriber), the Placement Agreement shall terminate and the obligations of the Company to issue the Subscription Shares and the Subscriber to subscribe for the Subscription Shares shall *ipso facto* cease and determine thereafter, and no party shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise in respect of the Proposed Placement, save for any antecedent breach of the Placement Agreement or the parties' respective liability for the payment of costs and expenses under the Placement Agreement.

3.4 **Completion**

Completion of the Proposed Placement shall take place on the date falling five (5) business days after the date on which the conditions set out in paragraph 3.3 above have been satisfied or otherwise waived in writing by the relevant party, or such other date as may be mutually agreed between the Parties (the "**Completion Date**").

3.5 **Moratorium**

Pursuant to the Placement Agreement, the Subscriber undertakes to observe a moratorium of two (2) years from the Completion Date (the "**Moratorium Period**") whereby the Subscriber

shall not sell, transfer or otherwise dispose of any of his interests in the Subscription Shares during the Moratorium Period.

3.6 **Additional Listing Application**

With reference to the condition set out in paragraph 3.3(c) above, the Company will be making an application to the SGX-ST for the listing and quotation of the Subscription Shares on the Official List of the SGX-ST. The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of the Subscription Shares has been obtained from the SGX-ST.

4. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

The financial effects of the Proposed Placement set out below are for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after completion of the Proposed Placement.

The financial effects of the Proposed Placement on the Group have been computed based on the latest audited consolidated financial statements of the Group for the financial year ended 31 July 2022 ("**FY2022**") and the following bases and assumptions:

(a) the expenses incurred in the Proposed Placement is disregarded for the purposes of calculating the financial effects;

(b) the financial effect on the consolidated net tangible assets ("**NTA**") per Share of the Group is computed based on the assumption that the Proposed Placement was completed on 31 July 2022; and

(c) the financial effect on the consolidated loss per Share ("**LPS**") of the Group is computed based on the assumption that the Proposed Placement was completed on 1 August 2021.

NTA per Share

	Before the Proposed Placement	After adjusting for the Subscription Shares
Net Tangible Assets of the Group (S$'000)	15,019	20,385
Number of issued Shares ('000)	149,062	178,875
NTA per Share (Singapore cents)	10.1	11.4

LPS

	Before the Proposed Placement	After adjusting for the Subscription Shares
Loss attributable to equity holders of the Group (S$'000)	(1,098)	(1,098)
Number of issued Shares ('000)	149,062	178,875
LPS (Singapore cents)	(0.74)	(0.61)

Net Gearing

The issue and allotment of the Subscription Shares would not have a significant effect on the net gearing of the Group.

5. RATIONALE AND USE OF PROCEEDS

The Company has decided to place the Subscription Shares to the Subscriber so as to raise funds to meet the working capital requirements of its property development project/s in Timor-Leste. The Company believes that the Proposed Placement will strengthen the balance sheet and provide flexibility for the Group as the Group pursues its growth strategies.

The net proceeds from the Proposed Placement (after deducting estimated expenses relating thereto) of approximately S$5,346,000 (the "**Net Proceeds**") will be used by the Company in the following proportions:

Use of Proceeds	Percentage Allocation (%)
(i) To fund the working capital needs of property development project(s) in Timor-Leste	100%

Pending the use of the Net Proceeds from the Proposed Placement as outlined above, the Net Proceeds may be deposited in financial institutions or be used for working capital or any other purpose on a short-term basis.

The Company will make periodic announcements as and when the Net Proceeds are materially disbursed and whether the disbursements are in accordance with the use of proceeds as stated in this announcement.

The Company will also provide a status report on the use of such Net Proceeds in the Company's annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation. Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the Company's announcements and annual report.

Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

6. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Placement, save for their interests (if any) by way of their shareholdings and/or directorships, as the case may be, in the Company.

In addition, the Subscriber is not under the control or influence of any of the Company's directors or substantial Shareholders.

7. CIRCULAR TO SHAREHOLDERS

The Company will be seeking Shareholders' approval for the Proposed Placement and the Proposed Transfer of Controlling Interest at the EGM and further details of the Proposed Placement and the Proposed Transfer of Controlling Interest will be provided in the Circular which will be despatched to Shareholders in due course.

8. DIRECTORS' RESPONSIBILITY STATEMENT

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 Proposed Placement, the Placement Agreement, 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 has 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. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. There is no certainty or assurance as at the date of this announcement that the Proposed Placement will be completed or that no changes will be made to the terms thereof. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

10. FURTHER ANNOUNCEMENTS

The Company will make the appropriate announcements as and when there are material developments on the Proposed Placement.

11. DOCUMENTS FOR INSPECTION

A copy of the Placement Agreement is available for inspection during normal business hours at the principal place of business of the Company at 61 Tai Seng Avenue, #03-03 Print Media Hub @ Paya Lebar iPark, Singapore 534167 for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Lim Huan Chiang
Executive Director and Chief Executive Officer
8 December 2022