

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

DECLARATION OF SPECIAL DIVIDEND AND NOTICE OF BOOKS CLOSURE DATE

Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the announcements released by the Company on 6 May 2016 and 20 July 2016 in relation to the disposal of all the shares held by the Company in Smartflex Technology Pte Ltd and Smartflex Innovation Pte Ltd.

1. DECLARATION OF SPECIAL DIVIDEND

Following the completion of the Disposal, the Board is pleased to declare an interim special dividend of 8.5 Singapore cents per share (the “**Special Dividend**”) as pro rata distributions to shareholders (the “**Dividend Declaration**”).

The Company had applied to the SGX-ST through its Sponsor for the withdrawal of escrow monies of approximately S\$10.7 million from the Company’s escrow account (the “**Escrow Account**”) for the purposes of the Dividend Declaration (the “**Withdrawal**”). The Board is pleased to announce that the SGX-ST has, in its letter dated 23 September 2016 advised that it has no objection to the Withdrawal subject to the following:

- (i) compliance with the SGX-ST’s continuing listing requirements;
- (ii) undertaking by the Board to deposit the Retained Sums of S\$1,956,000, less any permitted deductions pursuant to the relevant provisions of the SPA on the Disposal, into the Escrow Account upon receipt of such sums by the Company;
- (iii) confirmation from the Board that the amount remaining in the Escrow Account after the pro-rate distribution of dividends to Shareholders is sufficient for completion of an acquisition which is able to satisfy the SGX-ST’s requirements for a new listing and thereafter allow the Company to be lifted from the cash company status; and
- (iv) the Company providing monthly valuation of its assets and utilisation of cash, and quarterly updates of milestones in obtaining a new business, to the market via SGXNet.

2. NOTICE OF BOOKS CLOSURE DATE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and the Register of Members of the Company will be closed from 5.00 p.m. on 3 October 2016 for determining Shareholders’ entitlements to the Special Dividend.

Duly completed registrable transfers received by the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place Singapore Land Tower #32-01, Singapore 048623, up to 5.00 p.m. on 3 October 2016 will be registered to determine Shareholders’ entitlement to the Special Dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Ltd are credited with Shares as at 5.00 p.m. on 3 October 2016 will be entitled to the Special Dividend.

The Special Dividend will be paid on 10 October 2016.

By Order of the Board

TAN TONG GUAN
EXECUTIVE CHAIRMAN
23 September 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.