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

TERMINATION OF THE CONDITIONAL JOINT VENTURE AGREEMENT IN RELATION TO PROPERTY DEVELOPMENT IN DILI, TIMOR-LESTE

The Board of Directors (the "**Board**" or "**Directors**") of A-Smart Holdings Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcements dated 26 July 2017, 19 December 2017 and 3 January 2018 ("**Announcements**") in relation to the conditional joint venture agreement between Ng Choon Meng ("**NCM**"), Liao Sheng-Tung ("**LST**") and A-Smart Dili Development TL. Lda. ("**JV Co**") to carry out property investment and property development activities in Timor-Leste ("**JVA**").

Unless otherwise defined, all capitalised terms in this announcement shall have the meaning assigned to them in the Announcements.

Termination of JVA and dissolution of JV Co

The Company wishes to inform that due to the non-fulfilment of the condition precedent as set out in the JVA, that being the obtaining of all necessary approvals for the Mixed Development (including the grant of surface right for the Land), the JVA has been terminated. Following the termination of the JVA, parties will have no further obligations under the JVA save for any antecedent breaches. Following the termination of the JVA, the parties will apply to the relevant authority in Timor-Leste to dissolve the JV Co.

Financial impact of termination of JVA and dissolution of JV Co

The termination of the JVA is not expected to have a material impact on the profit and the net tangible assets per share of the Group for the financial year ending 31 July 2020.

Based on its latest financial statements for the financial period ending 31 March 2020, the JV Co has a net liability of S$0.4 million (excluding any debts owed to the Group), comprising the amounts owed by the JV Co to its minority shareholders. As the minority shareholders have agreed to waive these amounts owed by the JV Co, the Group is therefore expected to record a gain on the liquidation of its subsidiary, this being S$0.2 million resulting from the dissolution of the JV Co, which is expected to be completed before 31 July 2020.

Effects on the Group's business in Timor-Leste

In addition, the Company would like to highlight that the termination of JVA would not affect other projects, namely the Timor Marina Square project (mixed property development) whose building plan has been submitted for the authorities' approval and Timor City Square project (land held for future development), of the Group in Timor-Leste. The Company will continue to explore opportunities for project development in Timor-Leste.

Further announcements

The Company will make further announcements to update on the status of the dissolution of the JV Co.

By Order of the Board

Lim Huan Chiang
Executive Director and Chief Executive Officer
2 April 2020