

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

DISPOSAL OF SHARES IN SMARTFLEX TECHNOLOGY PTE LTD AND SMARTFLEX INNOVATION PTE. LTD.
- PAYMENT OF RETAINED SUM

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, 20 July 2016, 3 August 2016, 4 August 2016 and 20 January 2017 (the “**Announcements**”) in relation to the disposal of the entire issued share capital of Smartflex Technology Pte Ltd and Smartflex Innovation Pte Ltd held by the Company, and the opening of the escrow account by the Company in compliance with Rule 1017(1)(a) of the Catalist Rules.

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

Pursuant to the SPA and the Supplemental Agreement, the Retained Sum of S\$1,956,000 less any amount permitted to be set off pursuant to the relevant provisions of the SPA, shall be paid to the Company on or before the expiry of the period of twelve (12) months commencing on the date immediately after the Completion Date, such date being 20 July 2017.

The Company has on 19 July 2017 received a letter from the Purchaser’s solicitors informing that pursuant to the terms of the SPA, the Purchaser intends to set off a sum of S\$350,597.40 (the “**Claim**”) from the Retained Sum in respect of certain warranties provided in the SPA. The Company has received the supporting documents evidencing the Claim and will be reviewing these to verify the amount and validity of the Claim. The Company will update shareholders on its review of the Claim at the relevant time.

As of the release of this announcement, the Company has received the Retained Sum less the amount of the Claim from the Purchaser. In compliance with Rule 1017(1)(a) of the Catalist Rules, the Retained Sum less the amount of the Claim (subject to the Company’s verification) will be placed into the escrow account opened by the Company.

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 & CEO
20 July 2017

This announcement and its contents have been reviewed by the Company’s sponsor, RHT Capital Pte Ltd (the “**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 SGX-ST 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 Khong Choun Mun, Registered Professional, RHT Capital Pte Ltd, 9 Raffles Place, #29-01, Republic Plaza Tower 1, Singapore 048619, telephone (65) 6381 6757.