

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.

1. INTRODUCTION

- 1.1 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 and 6 May 2016 (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.

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

1.2 Completion of the Disposal

Further to the Announcements, the Board wishes to announce the completion of the Disposal on 20 July 2016. The conditions precedent in respect of the Disposal and the completion deliverables have been completed and/or waived.

2. CASH BALANCE IN THE COMPANY

Following completion of the Disposal, the Company’s cash position will comprise approximately S\$29,183,930.

3. RULE 1017 OF THE CATALIST RULES

- 3.1 Pursuant to the successful completion of the Disposal, the Company has ceased to have any operating subsidiaries or businesses and becomes a cash company as defined under Rule 1017 of the Catalist Rules, with effect from 20 July 2016. Accordingly, the Company is required to comply with the requirements pursuant to Rule 1017 of the Catalist Rules.

- 3.2 Pursuant to Rule 1017(1) of the Catalist Rules, the Company’s securities (the “**Shares**”) would normally be suspended from trading until the Company has a business which is able to satisfy the SGX-ST’s requirements for a new listing, and all relevant information has been announced. In compliance with Rules 1017(1)(a) and 1017(1)(b) of the Catalist Rules, the Company is required to:

- (a) place 90% of its cash and short-dated securities (including existing cash balances and the consideration arising from the Disposal) (the “**Escrow Amount**”) in an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the Monetary Authority of Singapore. The amount that is placed in the escrow account cannot be drawn down until the completion of the acquisition of a business which is able to satisfy the SGX-ST’s requirements for a new listing, except for a payment of expenses incurred in a reverse takeover approved by the Shareholders and pro-rate distributions to Shareholders; and
- (b) 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.

Taking into account compliance with Rules 1017(1)(a) and 1017(1)(b) of the Catalist Rules and pursuant to Rules 1017(1)(c) and 1017(1)(d) of the Catalist Rules, the SGX-ST may allow the continual trading in the Shares on a case-by-case basis, subject to:

- (i) contractual undertakings from the directors, controlling shareholder, chief executive officer and their associates, to observe a moratorium on the transfer or disposal of

all their interests, direct and indirect, in the Shares; and

- (ii) the period of moratorium commencing from the date the Shareholders approve the Disposal, up to and including the completion date of the acquisition of a business which is able to satisfy SGX-ST's requirements for a new listing,

(the "**Rule 1017 Moratorium Undertakings**")

3.3 The Board wishes to inform Shareholders that each of the following had provided the Rule 1017 Moratorium Undertakings:

- (a) Mr Tan Tong Guan and Ms Tan Geok Moey, being the Directors with an interest in the Shares and indirect controlling Shareholders. Mr Tan Tong Guan and Ms Tan Geok Moey are deemed to have an interest in the Shares held by Tan Gee Beng Private Limited (a direct controlling Shareholder) by virtue of Section 7 of the Companies Act, Chapter 50 of Singapore;
- (b) Dr Eric Ng, being the former chief executive officer and former Director with an interest in the Shares;
- (c) Mr Goh Hun Keng, being a former Director with an interest in the Shares;
- (d) Ms Ho Yuet Hoe Jenny @ Ho Yuet Heng being a Shareholder and the spouse and associate of Mr Goh Hun Keng who is a former Director with an interest in the Shares; and
- (e) Tan Gee Beng Private Limited and Ms Tan Yoke Hong, being the controlling Shareholders. Ms Tan Yoke Hong is deemed to have an interest in the Shares held by Tan Gee Beng Private Limited by virtue of Section 7 of the Companies Act, Chapter 50 of Singapore.

3.4 Shareholders should note that pursuant to Rule 1017(2) of the Catalist Rules, the SGX-ST will proceed to remove the Company from the Official List if the Company is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company. The Company may (through its sponsor) apply to the SGX-ST for a maximum 6-month extension to the 12-month period if it has already signed a definitive agreement for the acquisition of a new business, of which the acquisition must be completed in the 6-month extension period. The extension is subject to the Company providing information to investors on its progress in meeting key milestones in the transaction. In the event the Company is unable to meet its milestones, or complete the relevant acquisition despite the extension granted, no further extension will be granted and the Company will be required to delist and a cash exit offer, in accordance with Rule 1308 of the Catalist Rules, shall be made to its shareholders within 6 months.

4. APPOINTING AN ESCROW AGENT

4.1 In compliance with Rule 1017(1)(a) of the Catalist Rules, the Company will enter into an escrow agreement with an escrow agent (the "**Escrow Agent**") pursuant to which the Escrow Amount will be placed with the Escrow Agent. The Board wishes to inform Shareholders that the Company is in the midst of appointing an Escrow Agent and opening an escrow account. The Company will update Shareholders upon the opening of the escrow account with the Escrow Agent and when it places 90% of the total cash balance of the Company into the escrow account.

4.2 Pursuant to Rule 1017(1)(a) of the Catalist Rules, the Escrow Amount cannot be drawn down until the completion of the acquisition of a business which is able to satisfy the SGX-ST's requirements for a new listing, except for payment of expenses incurred in a reverse takeover approved by Shareholders and pro-rata distributions to Shareholders.

5. CONTINUED TRADING OF THE COMPANY'S SECURITIES

The Company will be making an application to the SGX-ST (via the Company's sponsor) to maintain its listing status and to continue the trading of the Shares on the Catalist. The Company's management will continue to oversee the affairs of the Company (including complying with the periodic reporting requirements pursuant to Rule 1017(1)(b) of the Catalist Rules).

The Company will make further announcements to update Shareholders as and when appropriate.

6. CAUTIONARY STATEMENT

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
20 July 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.