

A-SMART HOLDINGS LTD
(Incorporated in the Republic of Singapore)
(Company Registration Number 199902058Z)

**ISSUE OF 5,714,282 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE
“PLACEMENT”) – USE OF PROCEEDS**

1. INTRODUCTION

The board of directors (the “**Board**”) of A-Smart Holdings Ltd (the “**Company**”) refers to the announcement made by the Company on 26 September 2016 (the “**Announcement**”) in relation to the Placement.

2. USE OF PROCEEDS

2.1 Further to the disclosure on page 13 of the Company’s results announcement for the first quarter ended 31 October 2016 dated 14 December 2016, the Board wishes to provide a further update on the use of proceeds by the Company as at the date of this announcement, as follows:

	Use of Proceeds from Share Placement (S\$'000)
Balance proceeds from the last announced	3,948
<u>Less:</u>	
Investment in newly incorporated subsidiaries (see item 2.2 below)	223
General working capital (made up of):	926
▪ Long and outstanding trade and other payables	96
▪ Corporate expenses (legal, professional and compliance fees)	245
▪ Outstanding staff salaries	462
▪ Directors' fees	123
Total net proceeds balance from the Placement	2,799

2.2 The aforementioned utilisation of the proceeds is in accordance with the stated use and the percentage allocated as disclosed in the Announcement.

The proceeds used for investment in newly incorporated subsidiaries were mainly the provision of working capital to the Group’s smart technologies arm. The working capital was used for the preliminary expenses incurred in the development of software and mobile solutions related to the smart business systems mainly for sale to the food and beverage industry in Singapore and the region.

2.3 Subsequent to the aforementioned, as at the date of this announcement, the Company has a remaining balance of approximately S\$2.8 million from the proceeds from the Placement. The Board will continue to make periodic announcements on the utilisation of the balance of the proceeds as and when such proceeds are materially disbursed.

BY ORDER OF THE BOARD

Lim Huan Chiang
Executive Director and Chief Executive Officer
9 March 2017