<u>**PRESS RELEASE**</u>

A-Smart Holdings strengthens investment arm with property investment and development project in East Timor

- **Intends to form a joint venture company ("JV Co") to carry out property investment and property development activities in Republica Democratica De Timor-Leste ("East Timor")**

- **Has plans to construct and develop six buildings of mixed development in the central business district ("*CBD"*) of East Timor, which will contribute significantly to the Group's revenue**

- **Strengthens investment arm with diversification of investment base as Group continues to source for new growth opportunities**

Singapore, 26 July 2017– **SGX Mainboard-listed A-Smart Holdings Ltd** ("A-Smart Holdings" or the "Group" or "智慧控股集团") announced today that it intends to carry out property investment and property development activities in East Timor, as part of the Group's ongoing efforts to source for new growth opportunities. As East Timor is pursuing infrastructure development and growth of its tourism industry, this move will allow the Group to leverage early opportunities for its investment and other business interests.

The provider of integrated smart solutions said it has entered into a term sheet with Mr. Ng Choon Meng ("NCM") and Mr. Liao Sheng-Tung ("LST") to take a 51% stake in a JV Co that will carry out property investment and property development, and other suitable future developments, in East Timor. The transfer of the 51% stake in the JV Co to A-Smart Holdings is subject to certain conditions precedent, including obtaining the approval from shareholders of A-Smart Holdings.

NCM, a Singaporean, has many years of experience in property management, construction and building in the Republic of China ("China"). LST, a Taiwanese, owns stakes in real estate development companies based in Taiwan and China, and has extensive experience in property development projects in Taiwan and China.

The JV Co has outlined plans to construct and develop six buildings of mixed development (the "Project") on a plot of land in the heart of the capital city of East Timor that is currently being developed as the country's CBD. Under a land development agreement with the landowner, a reputable East Timor company that owns extensive land banks of choice sites

in East Timor, the Project will be developed across four phases and will consist of retail units, offices, service apartments, residential and hotels.

Based on preliminary architectural plans and subject to the final approval of relevant local authorities, the total built-up area for Phase 1 of the mixed development project is between 14,400 square meters ("sqm") and 18,000 sqm, with a total saleable area of between 9,000 sqm and 12,600 sqm.

Contingent on the size of the built-up area, the total construction and development costs for Phase 1 is estimated to be approximately US$13 million to US$16 million. Based on prevailing market rates, prices of private residential apartments in the vicinity of the CBD are between US$2,500 per sqm and US$3,000 per sqm. When completed and fully sold, Phase 1 is expected to contribute significantly to the Group's revenue.

Depending on the market conditions and outcome of Phase 1, the JV Co has the option to decide on subsequent phases, which will involve the development of five additional buildings. The JV Co has up to 8 years to complete the Project if it proceeds with the subsequent phases.

Given positive conditions, the JV Co intends to seek out further property investment and development opportunities in East Timor, including land situated by the seaside and near the container port, and other suitable future developments.

Mr Lim Huan Chiang, CEO of A-Smart Holdings, said:

"As East Timor is in its early stages of development, the Group's early entry into its property market will allow us to gain significant advantage in the long run. This mixed development project, which is aimed at building a vibrant commercial community, will be the first of its kind in East Timor, at a time when the country is also boosting its tourism industry. With our partners' extensive experience and network in the property development industry, we are confident of completing this project with minimal execution risks.

This joint venture marks significant progress in our corporate transformation, which we have embarked on a year ago. Our investment business unit allows us to broaden our earnings base and inject new revenue streams to drive sustainable growth. Building on a strong foundation which we have built up over the past year, we are confident that the Group is well positioned for a continued growth trajectory."

– End of Press Release –

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About A-Smart Holdings Ltd

Established in 1986, A-Smart provides a complete spectrum of integrated print solutions from pre-press processes to production systems as well as global distribution and delivery. Then known as Xpress Holdings, it was listed on SGX Mainboard on 28 June 1999. The Group serves a wide global base of local and MNC financial and corporate organisations.

Its products and services include the design, production and printing of time-sensitive and quick turnaround publications like Annual Reports, IPO prospectuses, shareholder circulars, fund management reports, brochures and newsletters.

The Group has expanded its business growth trajectories to include smart technology business, an investment business unit, and a media and events management arm.

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