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

INCORPORATION OF WHOLLY-OWNED SUBSIDIARY

The Board of Directors (the "**Directors**" or the "**Board**") of A-Smart Holdings Ltd. (the "**Company**') refers to the announcement made by the Company on 22 December 2016 ("**Previous Announcement"**).

Further to the Previous Announcement, the Company wishes to announce that A-Smart Commerce Pte. Ltd. ("**ASC"**), a wholly-owned subsidiary of the Company, has incorporated a new subsidiary known as A-Smart Pair (SEA) Pte. Ltd. and which is wholly-owned by ASC.

The principal activity of A-Smart Pair (SEA) Pte. Ltd. is to engage in the business of selling, leasing, servicing and maintaining green technology systems as part of smart city solutions. It will have an initial paid-up capital of S$10,000.00, to be funded internally by the Company.

This new subsidiary is set up for the purpose of the partnership with Pair International Corp. ("Pair") as announced in the Previous Announcement. The Company will make further announcements on the SGXNet to keep shareholders informed and updated upon execution of the definitive joint venture agreement and/or when there are material developments in respect of the Joint Venture.

The incorporation of A-Smart Pair (SEA) Pte. Ltd. is not expected to have any material impact on the Group's earnings per share or net tangible assets per share for the financial year ending 31 July 2017.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the transaction.

By Order of the Board

Lim Huan Chiang
Executive Director and Chief Executive Officer
7 February 2017