A-SMART HOLDINGS LTD.
(Formerly known as Xpress Holdings Ltd)
(Incorporated in the Republic of Singapore)
(Company Registration No. 199902058Z)

A BINDING TERM SHEET TO FORM A JOINT VENTURE

The Board of Directors (***Board***) of A-Smart Holdings Ltd. (***Company*** and together with its subsidiaries, ***Group***) is pleased to announce that the Company has entered into a binding term sheet on 22 December 2016 (***Term Sheet***) with Pair International Corp. (***Pair***) to form a joint venture company to carry out the business of selling, leasing, servicing and maintaining green technology systems manufactured by Pair in Southeast Asia (***Business***).

Pair is a company incorporated in Taiwan in 1990 and is principally engaged in the businesses of kitchen environmental protection and, organic agriculture research and development, equipment manufacturing, supply and installation, consultancy and research and development on biotechnology.

Pair has positioned itself as the market leader in kitchen environmental protection, kitchen waste water purification system, and kitchen waste resources recycling, and its customers include both public agencies and private business enterprises.

Pursuant to the Term Sheet, the Company and Pair have agreed to explore the formation of a joint venture entity (***Joint Venture Entity***) in Singapore which will carry out the Business (***Joint Venture***) in Southeast Asia. The Company will hold 80% equity interest and Pair will hold 20% equity interest in the Joint Venture Entity.

The execution of the Term Sheet is not expected to have material effects on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 July 2017.

The Term Sheet is valid from 22 December 2016 to 28 February 2017. The completion of the Joint Venture will be subject to conditions precedent, including but not limited to the following:

(i) obtaining of all necessary approvals such as governmental/regulatory approvals;

(ii) completion of satisfactory due diligence; and

(iii) other conditions to be agreed.

Shareholders and potential investors of the Company are advised to exercise caution in dealing with the securities of the Company as there is no certainty or assurance that as at the date of this announcement the Joint Venture will be undertaken.

None of the directors or substantial shareholders has or will have any interest, directly or indirectly, in the Joint Venture (other than through their shareholdings in the Company).

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.

BY ORDER OF THE BOARD

Lim Huan Chiang
Executive Director and Chief Executive Officer
22 December 2016