

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

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 JULY 2016

The Board of Directors ("**Board**") of A-Smart Holdings Ltd. (the "**Company**") and together with its subsidiaries, collectively the "**Group**") refers to the Company's Annual Report for the financial year ended 31 July 2016 ("**FY2016**") released on 14 November 2016. The Board would like to respond to the following query raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 25 November 2016 as follows:

SGX Query

Guideline 11.3 of the Code of Corporate Governance 2012 (the "**Code**") states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report. The Board's commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems. The Board should also comment in the company's Annual Report on whether it has received assurance from the CEO and the CFO:

- (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and
- (b) regarding the effectiveness of the company's risk management and internal control systems (emphasis added).

As required under Listing Rule 710, please disclose the Board's comments on:- (i) the effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems; and (ii) whether it has received assurance from the CEO and the CFO regarding the effectiveness of the Company's risk management.

Company's Response to SGX Query

As disclosed on page 25 of the Company's FY2016 Annual Report, the Directors have received assurance from the Chief Executive Officer and Group Financial Controller and the Management of the business units in relation to the financial information for the year. Material associates and joint ventures which the Company does not control are not dealt with for the purposes of this statement. The Chief Executive Officer and Group Financial Controller have assured the Board that:

- (a) The financial records have been properly maintained and the financial statements for the FY2016 give a true and fair view in all material respects, of the Company's operations and finances; and
- (b) The Group's internal control and risk management systems are operating effectively in all material aspects given its current business environment.

Based on the internal controls established and maintained by the Group, work performed by the external auditors and reviews performed by the Management, the Board with the concurrence of the AC, is of the opinion that the Group's risk management system and internal controls are adequate and effective in addressing the financial, operational, compliance and information technology control risks of the Group as at 31 July 2016.

By Order of the Board

Lim Huan Chiang
Executive Director and Chief Executive Officer
28 November 2016