

Smart Auto Australia Limited

NSX RELEASE

22 May 2024

DISPOSAL OF WHOLLY OWNED SUBSIDIARIES OF THE GROUP

Smart Auto Australia Limited (NSX: SAL) (the “Company”) wish to announce that the Company has entered into a Share Transfer Agreement with Ms. Hui Tung Hung, an independent third party, to sell its entire equity interest in its wholly-owned subsidiary, Smart Auto Holding (HK) Limited, an investment holding company incorporated in the British Virgin Islands (“Smart Auto HK”), for a sum of AUD1.00 on 17 May 2024 (the “Disposal”).

The board of directors of the Company (the “Board”) believes that the Disposal will not have a significant impact, as Smart Auto HK had an unaudited consolidated negative net asset value as of 31 March 2024.

Rationale for the Disposal

The Company sees the disposal of Smart Auto HK (together with its wholly-owned subsidiary, Grand Tour Bus Services Limited (“GTB”)) as a positive step forward. The Board is exploring new business opportunities by establishing a new subsidiary.

The Company announced on 30 April 2024, through a prospectus for a non-renounceable pro-rata entitlement offer (the “Offer”), that an existing shareholder is interested in investing in the Company as an underwriter (the “Underwriter”). The Underwriter is aware of the Company’s current circumstances and supports the new business opportunities the Company seeks to pursue.

On May 13, 2024, the Company provided an update on the legal proceedings regarding GTB. It was mentioned that fees need to be paid before GTB can make a counterclaim against the plaintiff. After reviewing the sequence of events and potential business opportunities for the Company, the board has decided to sell Smart Auto HK. An independent third party has expressed interest in taking over all the assets and liabilities of Smart Auto HK and GTB.

Director’s interests in the Disposal

Other than the director’s interests in the Company as previously disclosed, none of the directors have any interest in the Disposal.

The Company will provide the market with more details in due course via a supplementary prospectus of the Offer.

The release of this announcement was authorised by the Board and released by the Company Secretary.

For more information:

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