



A-Smart Holdings Ltd.

(Registration No. 199902058Z)

**UNAUDITED RESULTS FOR THE
FOURTH QUARTER ENDED 31 JULY 2019**

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PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	GROUP 3 MONTHS ENDED			GROUP 12 MONTHS ENDED			
	Note	31 Jul 2019	31 Jul 2018	Increase / (decrease)	31 Jul 2019	31 Jul 2018	Increase / (decrease)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		1,862	1,866	(0.2%)	6,920	7,220	(4.2%)
Interest income		18	4	350%	62	4	1,450%
Other income	1	6	8	(25%)	84	173	(51.4%)
Total Revenue		1,886	1,878	0.4%	7,066	7,397	(4.5%)
Costs and expenses							
Changes in inventories	2	(109)	(40)	172.5%	(74)	59	(225.4%)
Inventories used		(714)	(569)	25.5%	(2,478)	(2,258)	9.7%
Staff costs		(1,378)	(805)	71.2%	(4,008)	(3,627)	10.5%
Depreciation		(86)	(95)	(9.5%)	(347)	(327)	6.1%
Foreign currency gain/(loss)		8	(1)	(900%)	8	(2)	(500.0%)
Impairment loss on financial assets	6	(214)	-	N.M.	(214)	-	N.M.
Other operating expenses	4	(1,384)	(529)	161.6%	(2,360)	(1,694)	39.3%
Finance costs	3	(12)	(19)	(36.8%)	(60)	(68)	(11.8%)
Share of profit/(loss) of an associated company		8	(88)	(109.1%)	(20)	(88)	(77.3%)
(Loss)/Profit before taxation		(1,995)	(268)	644.4%	(2,487)	(608)	309%
Income tax credit	5	-	3	N.M.	-	5	N.M.
Net (loss)/profit for the period		(1,995)	(265)	652.8%	(2,487)	(603)	312.4%
Attributable to:							
Equity holders of the parent		(1,560)	(267)	484.3%	(2,053)	(606)	238.8%
Non- controlling interests		(435)	2	(21,850%)	(434)	3	(14,567%)
Net loss for the period		(1,995)	(265)	652.8%	(2,487)	(603)	312.4%

1(a)(ii) Breakdown and explanatory notes to the income statement

Note 1 Other income comprises the following:

	3 MONTHS ENDED		12 MONTHS ENDED	
	31-Jul-19	31-Jul-18	31-Jul-19	31-Jul-18
	\$'000	\$'000	\$'000	\$'000
Bad debts recovered	-	-	1	-
Gain on disposal of plant and equipment	-	-	3	-
Government grants	18	-	44	146
Rental income	-	2	19	2
Miscellaneous income	(12)	6	17	25
Total	6	8	84	173

Note 2 Changes in inventories of raw materials and consumables comprise the following:

	3 MONTHS ENDED		12 MONTHS ENDED	
	31-Jul-19	31-Jul-18	31-Jul-19	31-Jul-18
	\$'000	\$'000	\$'000	\$'000
Inventories recognised as an expense in cost of sales	2	(40)	37	59
Write down of inventories	(111)	-	(111)	-
Total	(109)	(40)	(74)	59

Note 3 Finance costs comprise the following:

	3 MONTHS ENDED		12 MONTHS ENDED	
	31-Jul-19	31-Jul-18	31-Jul-19	31-Jul-18
	\$'000	\$'000	\$'000	\$'000
Hire purchase interest	(12)	(19)	(60)	(68)
Total	(12)	(19)	(60)	(68)

Note 4 Other operating expenses include the following:

	3 MONTHS ENDED		12 MONTHS ENDED	
	31-Jul-19	31-Jul-18	31-Jul-19	31-Jul-18
	\$'000	\$'000	\$'000	\$'000
Marketing expenses	(27)	(9)	(66)	(40)
Legal professional and compliance expenses	(34)	(227)	(125)	(336)
Operating lease expense - office, factories and warehouses	(124)	(69)	(491)	(516)
Loss on disposal of subsidiary corporations	(154)	-	(154)	-
Preliminary expenses for overseas property projects	(897)	-	(897)	-

Note 5 Income tax comprises the following:

	3 MONTHS ENDED		12 MONTHS ENDED	
	31-Jul-19	31-Jul-18	31-Jul-19	31-Jul-18
	\$'000	\$'000	\$'000	\$'000
Current income tax - prior years	-	3	-	5

1(a)(ii) Breakdown and explanatory notes to the income statement (Continued)

Note 6 Impairment loss on financial assets comprises the following:

	3 MONTHS ENDED		12 MONTHS ENDED	
	31-Jul-19	31-Jul-18	31-Jul-19	31-Jul-18
	\$'000	\$'000	\$'000	\$'000
Trade receivables	160	-	160	-
Sundry receivables	54	-	54	-
Total	214	-	214	-

1(a)(iii) A Statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	GROUP 3 MONTHS ENDED			GROUP 12 MONTHS ENDED		
	31 Jul 2019	31 Jul 2018	Increase/ (Decrease)	31 Jul 2019	31 Jul 2018	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Net loss for the period	(1,995)	(265)	652.8%	(2,487)	(603)	312.4%
Other comprehensive (loss)/income:						
Translation differences relating to financial statements of foreign subsidiary corporations	(9)	5	(280%)	(2)	(3)	(33.3%)
Translation differences arising on monetary items forming part of net investments in foreign operations	(10)	(22)	(54.5%)	(28)	(22)	27.3%
Other comprehensive loss for the period	(19)	(17)	11.8%	(30)	(25)	20%
Total comprehensive loss for the period	(2,014)	(282)	614.2%	(2,517)	(628)	300.8%
Total comprehensive (loss)/income attributable to:						
Equity holders of the parent	(1,579)	(295)	435.3%	(2,086)	(631)	230.6%
Non-controlling interests	(435)	13	(3,446.2%)	(431)	3	(14,466.7%)
Total comprehensive loss for the period	(2,014)	(282)	614.2%	(2,517)	(628)	300.8%

(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31 Jul 2019	31 Jul 2018	31 Jul 2019	31 Jul 2018
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Non-current assets				
Plant and equipment	1,617	1,714	175	75
Investments in subsidiary corporations	-	-	6,228	6,228
Investment in an associated company	1,234	1,289	-	-
	2,851	3,003	6,403	6,303
Current assets				
Inventories	480	554	-	-
Development Property	3,659	-	-	-
Trade receivables	1,064	1,300	-	11
Other receivables	1,893	1,759	932	1,313
Trade amount due from subsidiary corporations	-	-	552	479
Non-trade amount due from subsidiary corporations	-	-	6,581	3,845
Cash and cash equivalents	4,910	7,202	3,516	5,609
	12,006	10,815	11,581	11,257
Total assets	14,857	13,818	17,984	17,560
Equity attributable to equity holders of the parent				
Share capital	141,665	139,159	141,665	139,159
Other reserves	(58)	(110)	-	-
Accumulated losses	(130,952)	(128,814)	(141,751)	(139,518)
	10,655	10,235	(86)	(359)
Non-controlling interests	(259)	118	-	-
Total equity	10,396	10,353	(86)	(359)
Non-current liabilities				
Finance lease liabilities	429	569	66	10
	429	569	66	10
Current liabilities				
Trade and other payables	3,730	2,460	415	720
Trade amount due to subsidiary corporations	-	-	152	113
Non-trade amount due to subsidiary corporations	-	-	17,415	17,043
Finance lease liabilities	281	415	22	33
Current income tax liabilities	21	21	-	-
	4,032	2,896	18,004	17,909
Total liabilities	4,461	3,465	18,070	17,919
Total equity and liabilities	14,857	13,818	17,984	17,560

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 July 2019		As at 31 July 2018	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
281	-	415	-

Amount repayable after one year

As at 31 July 2019		As at 31 July 2018	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
429	-	569	-

Details of any collateral:

Secured borrowings at 31 July 2019 mainly refer to the following:

- a. Finance lease liabilities amounting to S\$0.71 million that are secured by the respective motor vehicles and machinery purchased under finance leases.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		Group	
	4th Quarter Ended		12 Months Ended	
	Note	31 Jul 2019	31 Jul 2018	31 Jul 2019
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Loss before taxation	(1,995)	(268)	(2,487)	(608)
Adjustments for:				
Interest expense	12	19	60	68
Interest income	(18)	(4)	(62)	(4)
Depreciation	86	95	347	327
Impairment loss on financial assets	214	-	214	-
Loss on disposal of plant and equipment	-	-	17	-
Plant and equipment written off	-	56	-	56
Written down of inventories	111	-	111	-
Loss on disposal of subsidiary corporations	154	-	154	-
Share of loss of an associated company	(8)	88	20	88
Operating loss before working capital changes	(1,444)	(14)	(1,626)	(73)
Changes in working capital:				
Inventories	(2)	40	(37)	(59)
Development properties	(2,162)		(3,659)	
Trade and other receivables	(504)	305	(348)	(41)
Trade and other payables	1,535	(476)	1,415	(454)
Cash used in operations	(2,577)	(145)	(4,255)	(627)
Income tax refunded	-	-	-	-
Cash flows used in operating activities	(2,577)	(145)	(4,255)	(627)
Investing activities				
Interest received	18	4	62	4
Purchase of plant and equipment	(5)	(63)	(140)	(154)
Cash flows generated from/(used in) investing activities	13	(59)	(78)	(150)
Financing activities				
Interest paid	(12)	(19)	(60)	(68)
Repayment of finance lease liabilities - nett	(76)	(156)	(406)	(536)
(Expenses)/Proceeds from issuance of shares	-	(20)	2,506	4,939
Cash flows (used in)/ generated from financing activities	(88)	(195)	2,040	4,335
Net (decrease)/ increase in cash and cash equivalents	(2,652)	(399)	(2,293)	3,558
Cash and cash equivalents at beginning of the period	7,591	7,615	7,202	3,665
Effects of currency translation on cash and cash equivalents	(29)	(14)	1	(21)
Cash and cash equivalents at end of the period	4,910	7,202	4,910	7,202

Explanatory notes to the consolidated cash flow statement

Note A. Cash and cash equivalents comprise the following:

	31 Jul 2019	31 Jul 2018
	<u>\$'000</u>	<u>\$'000</u>
Cash at bank and in hand	2,410	2,702
Fixed deposits	2,500	4,500
Cash and cash equivalents in the cash flow statement	<u>4,910</u>	<u>7,202</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the Group

Attributable to equity holders of the Company

	Share Capital S\$'000	Currency translation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 31 July 2017 (as previously stated)	134,220	(85)	(128,208)	5,927	115	6,042
Effects of adoption of SFRS(I)	-	85	(85)	-	-	-
At 1 August 2017 (as restated)	134,220	-	(128,293)	5,927	115	6,042
Total comprehensive loss for the period	-	4	(246)	(242)	(10)	(252)
At 31 October 2017	134,220	4	(128,539)	5,685	105	5,790
Total comprehensive loss for the period	-	(3)	(132)	(135)	(1)	(136)
Issuance of ordinary shares pursuant to share placement	4,990	-	-	4,990	-	4,990
At 31 January 2018	139,210	1	(128,671)	10,540	104	10,644
Total comprehensive profit for the period	-	2	39	41	1	42
Expenses on issuance of ordinary shares pursuant to share placement	(31)	-	-	(31)	-	(31)
At 30 April 2018	139,179	3	(128,632)	10,550	105	10,655
Total comprehensive loss for the period	-	(28)	(267)	(295)	13	(282)
Expenses on issuance of ordinary shares pursuant to share placement	(20)	-	-	(20)	-	(20)
At 31 July 2018	139,159	(25)	(128,899)	10,235	118	10,353
	Share Capital S\$'000	Currency translation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 31 July 2018 (as previously stated)	139,159	(110)	(128,814)	10,235	118	10,353
Effects of adoption of SFRS(I)	-	85	(85)	-	-	-
At 1 August 2018 (as restated)	139,159	(25)	(128,899)	10,235	118	10,353
Total comprehensive loss for the period	-	(8)	(214)	(222)	3	(219)
At 31 October 2018	139,159	(33)	(129,113)	10,013	121	10,134
Total comprehensive loss for the period	-	-	(151)	(151)	-	(151)
At 31 January 2019	139,159	(33)	(129,264)	9,862	121	9,983
Total comprehensive loss for the period	-	(6)	(128)	(134)	1	(133)
Issuance of ordinary shares pursuant to exercise of warrants by warrant holder	2,506	-	-	2,506	-	2,506
Acquisition of subsidiary corporations	-	-	-	-	54	54
At 30 April 2019	141,665	(39)	(129,392)	12,234	176	12,410
Total comprehensive loss for the period	-	(19)	(1,560)	(1,579)	(435)	(2,014)
At 31 July 2019	141,665	(58)	(130,952)	10,655	(259)	10,396

Statement of Changes in Equity for the Company

	Attributable to equity holders of the Company			Total equity \$'000
	Share Capital \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	
At 1 August 2017	134,220	-	(138,162)	(3,942)
Total comprehensive loss for the period	-	-	(372)	(372)
At 31 October 2017	134,220	-	(138,534)	(4,314)
Total comprehensive loss for the period	-	-	(396)	(396)
Issuance of ordinary shares pursuant to share placement	4,990	-	-	4,990
At 31 January 2018	139,210	-	(138,930)	280
Total comprehensive loss for the period	-	-	(335)	(335)
Expenses on issuance of ordinary shares pursuant to share placement	(31)	-	-	(31)
At 30 April 2018	139,179	-	(139,265)	(86)
Total comprehensive loss for the period	-	-	(253)	(253)
Expenses on issuance of ordinary shares pursuant to share placement	(20)	-	-	(20)
At 31 July 2018	139,159	-	(139,518)	(359)
At 1 August 2018	139,159	-	(139,518)	(359)
Total comprehensive loss for the period	-	-	(244)	(244)
At 31 October 2018	139,159	-	(139,762)	(603)
Total comprehensive loss for the period	-	-	(323)	(323)
At 31 January 2019	139,159	-	(140,085)	(926)
Total comprehensive loss for the period	-	-	(226)	(226)
Issuance of ordinary shares pursuant to exercise of warrants by warrant holder	2,506	-	-	2,506
At 30 April 2019	141,665	-	(140,311)	1,354
Total comprehensive loss for the period	-	-	(1,440)	(1,440)
At 31 July 2019	141,665	-	(141,751)	(86)

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no movements in the Company's share capital for the fourth quarter ended 31 July 2019.

As at 31 July 2019, there were no subsidiary holdings.

Warrants

On 20 July 2015, the Company issued 2,200,000,000 warrants each carrying the right to subscribe for one new ordinary share at the exercise price of S\$0.07 per new share. Pursuant to the Company's share consolidation exercise in February 2016 (every forty (40) ordinary shares consolidated into 1 (one) ordinary share), the 1,900,000,000 warrants that were outstanding as at 2 February 2016 were accordingly consolidated into 47,500,000 warrants and the exercise price of the warrants adjusted from S\$0.07 to S\$0.28 per new share.

At 31 July 2019, there were 27,836,000 warrants that can be converted into 27,836,000 ordinary shares at the exercise price of S\$0.28 per new share (4Q2018: 36,786,000 warrants).

No share warrants were exercised in 4Q2019 (4Q2018: Nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares as at 31 July 2019 was 128,726,362 (31 July 2018: 119,776,362). There were no treasury shares held by the Company at 31 July 2019.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

During the financial period, there was no transaction pertaining to subsidiary holdings.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the auditors of the Company.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 July 2018.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted SFRS(I) on 1 August 2018. Accordingly, the Group has elected the following relevant optional exemption provided in SFRS(I) 1 – First time adoption of SFRS(I) and has adopted SFRS(I) 9 – Financial instruments and SFRS(I) 15 – Revenue from Contracts with Customers.

(a) SFRS(I) 1 – First time adoption of SFRS(I)

The Group has elected the optional exemption to reset its cumulative translation differences for all foreign operations to nil at the date of transition at 1 August 2017. As a result, cumulative translation losses of S\$85,000 were reclassified from foreign currency translation reserve to accumulated losses as at 1 August 2017 for the Group. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before 1 August 2017.

(b) SFRS(I) 9 – Financial instruments

In assessing for impairment losses on financial assets, the Group has adopted the simplified approach and record lifetime expected losses on all its receivables. The adoption of expected loss model does not have a material impact on the financial statements.

(c) SFRS(I) 15 – Revenue from Contracts with Customers

Under this standard, the revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The adoption does not have a material impact on the financial statements.

The adoption of SFRS(I) did not have any significant impact on the opening SFRS(I) statement of financial position.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings per ordinary share of the Group, after deducting any provision for preference dividends:	Group			
	4th Quarter (3 Months)		Twelve Months (12 Months)	
	31 Jul 2019	31 Jul 2018	31 Jul 2019	31 Jul 2018
6(a) Based on the weighted average number of ordinary shares on issue (in cents)	(1.17)	(0.21)	(1.65)	(0.52)
Weighted average number of ordinary shares (in million)	133.07	123.81	124.21	116.78
6(b) On a fully diluted basis (in cents)	(0.97)	(0.16)	(1.35)	(0.39)
Weighted average number of ordinary shares (in million)	160.90	160.60	152.05	153.57

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group		Company	
	31 Jul 2019	31 Jul 2018	31 Jul 2019	31 Jul 2018
Net asset value per ordinary share based on issued share capital at the end of the financial period / year (in cents)	8.08	8.64	(0.07)	(0.30)

Net asset value per ordinary share as at 31 July 2019 is calculated based on the existing issued share capital of 128,726,362 ordinary shares outstanding as at 31 July 2019 (31 July 2018: 119,776,362).

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

INCOME STATEMENT

Revenue

Business Activity	4th Quarter ended (3 months)				Full year ended (12 months)			
	31 Jul 19	31 Jul 18	+ / (-)	+ / (-)	31 Jul 19	31 Jul 18	+ / (-)	+ / (-)
	S\$'mil	S\$'mil	S\$'mil	%	S\$'mil	S\$'mil	S\$'mil	%
Printing	1.85	1.68	0.17	10.2%	6.87	6.91	(0.04)	(0.6%)
Other revenue	0.01	0.18	(0.17)	(94.4%)	0.05	0.31	(0.26)	(83.9%)
Total revenue	1.86	1.86	-	N.M.	6.92	7.22	(0.30)	(4.2%)

Printing Revenue for 4Q2019 was S\$0.17 million higher compared to 4Q2018. This was mainly due to the increase in revenue from commercial printing products as the client base has increased. In addition, the Group has also upgraded its capability and expanded its variety of printing products.

Other revenue from the Smart Technologies segment declined by S\$0.17 million in 4Q2019 compared to 4Q2018 due to the slowdown in sales of technology products.

Raw materials and consumables used and changes in inventories of finished goods and work-in-progress

Total raw materials and consumables used and changes in inventories in 4Q2019 was \$0.82 million, a 35.1% increase compared with 4Q2018. This was mainly due to a write down in inventories of S\$0.11 million for the food compositor machines of the technology segment and comparatively higher cost of raw materials for the printing segment in 4Q2019.

Other income

There was no significant other income for the Group in 4Q2019 and 4Q2018.

Staff costs

Staff costs for 4Q2019 was S\$1.38 million, 71.2% higher than the S\$0.81 million in 4Q2018, mainly due to proposed staff bonus and ex-gratia payments made to long serving employees of the Group.

Depreciation

Depreciation charges for 4Q2019 declined by 9.5% compared to 4Q2018 as certain fixed assets became fully depreciated during the current financial year.

Impairment of financial assets

The Group estimated and recorded an impairment of financial assets of S\$0.21 million in 4Q2019 (4Q2018: S\$ nil), based on the expected credit loss for its trade and other receivables.

Other operating expenses

Operating expenses for 4Q2019 was S\$1.38 million, which was 160% higher than the S\$0.53 million in 4Q2018, mainly due to the one-off preliminary expenses of S\$0.90 million incurred by the property development projects, particularly the CBD project, in Timor-Leste. The preliminary expenses were mainly the projects' direct expenses such as administrative, legal and professional fees and land surveying and soil investigation work carried out on the land parcels of the property projects.

Share of results of an associated company

The Group's equity accounted for the results of the associated company, Sheng Siong (China) Supermarket Co. Ltd. The share of 10% of the associated company's results was S\$8,000 compared with the loss of S\$88,000 in Q42018. The associated company turned profitable mid-way during the current financial year as the Sheng Siong brand increases in awareness amongst the consumers in Kunming, China.

Taxation

There was no taxation for the Group's current year results as the profitable companies within the Group had tax losses from prior years available for set off against the current year's taxable income.

Non-controlling interests

Non-controlling interests increased significantly compared to the previous corresponding quarter mainly due to sharing 49% of the preliminary expenses incurred for the CBD project in Timor-Leste.

STATEMENT OF FINANCIAL POSITION

Plant and equipment

The Group's plant and equipment was S\$1.62 million as at 31 July 2019 compared with S\$1.70 million as at 30 April 2019, mainly due to the depreciation charge in 4Q2019.

Investment in an associate company

The investment in an associated company refers to the 10% interest that the Group holds in the joint venture company, Sheng Siong (China) Supermarket Co., Ltd. The investment in an associate company was S\$1.23 million as at 31 July 2019 and the increase in this current quarter was due to the share of profit of the associated company in Q42019.

Inventories

Inventories decreased by S\$0.11 million from S\$0.59 million as at 30 April 2019 to S\$0.48 million as at 31 July 2019 mainly due to inventories written down during this current financial quarter.

Development property

The Group's Development Property increased by S\$2.16 million during 4Q2019 due to payment for the cost of land for the Group's Timor Marina Square and Timor City Square projects in Timor-Leste.

Trade and other receivables

Trade receivables decreased by S\$0.14 million from S\$1.20 million as at 30 April 2019 to S\$1.06 million as at 31 July 2019 mainly due to the increase in receipts from customers.

Other receivables increased from S\$1.75 million as at 30 April 2019 to S\$1.89 million as at 31 July 2019 mainly due to development deposits paid for the Group's property development projects in Timor-Leste.

Trade and other payables

Trade and other payables increased from S\$2.34 million as at 30 April 2019 to S\$3.73 million as at 31 July 2019 mainly due to the contribution of working capital loans from the minority shareholders of the property development projects in Timor-Leste.

Borrowings

The Group's borrowings consist only of finance lease obligations and the quarterly decline is due to the instalment payments made during 4Q2019.

REVIEW OF CASH FLOWS

The Group recorded a net cash outflow of S\$2.65 million in 4Q2019. This was mainly due to the operating loss of S\$1.44 million incurred during the financial quarter, and net cash outflows due to working capital changes of S\$1.13 million, mainly due to capital expenditure relating to its property development projects in Timor-Leste.

Aside from the above, there are no other material factors that affected the results, cash flow and the statement of financial position of the Group during the current quarter reported on.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The printing segment continues to operate amidst a challenging landscape due to competition from digital media. However, the Group is hopeful that its continued expansion of client base and product range through the adoption of innovation and technological advances will continue to stabilise its revenue base.

The Group's maiden mixed property development project, Timor Marina Square ("TMS"), in Timor-Leste is ongoing. A tender exercise for the main contractor for the construction work was carried out and the construction contract will be awarded soon. TMS is situated at a prime coastal location opposite the Port of Dili, Timor-Leste, where the World Bank, foreign embassies and government offices are stationed. The building and design plan including relevant engineering reports will soon be submitted to the Timor Building Authorities for approval. Sales and marketing for the property, commonly known as pre-sales launch, is planned for the China and Singapore markets once building plan approval is obtained.

The Group's associated company which opened its first Sheng Siong supermarket store in late 2017 in Kunming, China, has turned profitable. The second store in Kunming has recently commenced business in June 2019. The associated company is maintaining the strategy of gradually expanding the chain of supermarket stores, while promoting the "Sheng Siong" brand locally.

The Group's new business segments have just commenced sales and we remain confident that the Group's restructuring is relevant for positive contribution. Our Group will continue to leverage on viable opportunities to diversify its revenue base in a sustainable manner and provide additional income streams to enhance its business performance.

11 Dividend

(a) Current financial period reported on

Any dividend declared for the present financial period?

No.

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the previous corresponding period?

No.

(c) Date payable

Not Applicable.

(d) Book closure date

Not Applicable.

12 If no dividend has been declared or recommended, a statement to that effect

No dividend has been declared or recommended for the current financial period.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There is no interested person transaction which is valued at more than S\$100,000 during the year under review and the company has not obtained any general mandate pursuant to Rule 920 of the Listing Manual.

14 Use of proceeds from rights issue and shares placement

- a) Further to the disclosure on Use of Proceeds in page 15 of the Company’s results announcement for 3Q2019, the Company wishes to update the shareholders that the proceeds from the Share Placement of 7,150,000 shares on 9 January 2018 were partially utilised as follows:

	Use of Proceeds from Share Placement (S\$'000)
Balance proceeds from the last announced	4,859
Less utilisation:	
• Development Property - Purchase of land at Timor-Leste	(2,192)
• Development Deposit for property development purpose at Timor-Leste	(206)
• Working capital loans to subsidiary corporations in Timor-Leste	(1,070)
Total net proceeds balance from the Placement	1,391

- b) The Company raised net proceeds of S\$2,506,000 from the issuance of 8,950,000 new shares pursuant to the exercise of 8,950,000 Share Warrants by the warrant holder on 15 February 2019. To-date the net proceeds have not been utilised.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16 Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business Segments

Revenue and expenses

	Print media		Smart technologies		Property		Corporate and others		Eliminations		Consolidated Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales to external customers	6,871	6,910	45	107	-	-	4	203	-	-	6,920	7,220
Inter-segment sales	43	92	-	-	-	-	68	453	(111)	(545)	-	-
Total revenue	6,914	7,002	45	107	-	-	72	656	(111)	(545)	6,920	7,220
Segment results	269	1,175	(301)	(119)	(923)	(83)	(1,372)	(1,367)	(80)	(58)	(2,407)	(452)
Finance costs	(53)	(63)					(7)	(5)			(60)	(68)
Share of loss of an associated company											(20)	(88)
Loss before taxation											(2,487)	(608)
Income tax credit											-	5
Net loss for the year											(2,487)	(603)

Revenue and expenses

	Print media		Smart technologies		Investment		Property		Corporate and others		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets	3,040	3,405	370	201	1,235	1,289	4,201	33	1,105	1,688	9,951	6,616
Unallocated assets											4,906	7,202
Total assets											14,857	13,818
Segment liabilities	1,224	1,043	27	11	687	683	1,379	2	413	721	3,730	2,460
Income tax liabilities											21	21
Deferred tax liabilities											-	-
Unallocated liabilities											710	984
Total liabilities											4,461	3,465

Other segment information

	Print media		Smart technologies		Investment		Property		Corporate and others		Consolidated Total	
	2019	2018	2019	2018	2019	2019	2018	2018	2019	2018	2019	2018
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Capital expenditure	131	283	-	-	-	-	-	-	142	-	273	283
Depreciation of plant and equipment	305	278	-	-	-	-	-	-	42	49	347	327
Interest expense	53	63	-	-	-	-	-	-	7	5	60	68
Plant and equipment written off	-	56	-	-	-	-	-	-	-	-	-	56
Gain on disposal of plant and equipment	17	-	-	-	-	-	-	-	-	-	17	-
Impairment loss on financial assets	29	-	-	-	-	-	-	-	185	-	214	-
Loss on disposal of subsidiary corporations	49	-	-	-	-	-	-	-	105	-	154	-
Preliminary expenses	-	-	-	-	-	-	897	-	-	-	897	-

Geographical Segments

	Revenue from external customers		Segment assets		Capital expenditure	
	2019	2018	2019	2018	2019	2018
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Singapore	6,914	7,212	10,199	13,571	273	283
Timor-Leste	-	-	4,282	-	-	-
Others	6	8	376	247	-	-
	6,920	7,220	14,857	13,818	273	283

17 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to item 8 of this announcement.

18 Breakdown of sales

	Group		
	Consolidated Total		
	1 Aug 2018 to 31 Jul 2019	1 Aug 2017 to 31 Jul 2018	Increase/ (decrease)
	<u>\$'000</u>	<u>\$'000</u>	
(a) Sales reported for first half year	3,394	3,528	(3.8%)
(b) Operating loss after tax before deducting minority interests reported for the first half year	(365)	(379)	(3.7%)
(c) Sales reported for second half year	3,526	3,692	(4.5%)
(d) Operating loss after tax before deducting minority interests reported for the second half year	(2,122)	(224)	847.3%

19 A breakdown of the total annual dividend (in dollar value) for the issuer latest full year and its previous full year

Not applicable. None.

20 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Not applicable. None.

BY ORDER OF THE BOARD

Lim Huan Chiang
Executive Director and Chief Executive Officer
25 September 2019