



**A-Smart Holdings Ltd.**

(Registration No. 199902058Z)

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**UNAUDITED RESULTS FOR THE  
THIRD QUARTER ENDED 30 APRIL 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 9 MONTHS ENDED			
	Note	30 Apr 2019	30 Apr 2018	Increase / (decrease)	30 Apr 2019	30 Apr 2018	Increase / (decrease)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		1,664	1,826	(8.9%)	5,058	5,354	(5.5%)
Interest income		6	-	N.M.	44	-	N.M.
Other income	1	24	126	(81.0%)	78	165	(52.7%)
<b>Total Revenue</b>		<b>1,694</b>	<b>1,952</b>	<b>(13.2%)</b>	<b>5,180</b>	<b>5,519</b>	<b>(6.1%)</b>
<b>Costs and expenses</b>							
Changes in inventories		3	76	(96.1%)	35	99	(64.6%)
Inventories used		(558)	(639)	(12.7%)	(1,764)	(1,689)	4.4%
Staff costs		(860)	(900)	(4.4%)	(2,630)	(2,822)	(6.8%)
Depreciation		(85)	(85)	-	(261)	(232)	12.5%
Foreign currency gain/(loss)		-	-	-	-	(1)	N.M.
Other operating expenses	3	(318)	(350)	(9.1%)	(976)	(1,165)	(16.2%)
Finance costs	2	(11)	(18)	(38.9%)	(48)	(49)	(2.0%)
Share of profit / (loss) of an associated company		8	-	N.M.	(28)	-	N.M.
<b>(Loss) / Profit before taxation</b>		<b>(127)</b>	<b>36</b>	<b>(452.8%)</b>	<b>(492)</b>	<b>(340)</b>	<b>44.7%</b>
Income tax credit	4	-	5	N.M.	-	2	N.M.
<b>Net (loss) / profit for the period</b>		<b>(127)</b>	<b>41</b>	<b>(409.8%)</b>	<b>(492)</b>	<b>(338)</b>	<b>45.6%</b>
<b>Attributable to:</b>							
Equity holders of the parent		(128)	39	(428.2%)	(493)	(339)	45.4%
Non- controlling interests		1	2	(50.0%)	1	1	-
<b>Net (loss) / profit for the period</b>		<b>(127)</b>	<b>41</b>	<b>(409.8%)</b>	<b>(492)</b>	<b>(338)</b>	<b>45.6%</b>

*N.M. : Not meaningful*

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

**Note 1** Other income comprises the following:

	<b>3 MONTHS ENDED</b>		<b>9 MONTHS ENDED</b>	
	<b>30-Apr-19</b>	<b>30-Apr-18</b>	<b>30-Apr-19</b>	<b>30-Apr-18</b>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Bad debt recovered	-	-	1	-
Gain on disposal	-	-	3	-
Government grant	-	121	26	146
Rental income	8	-	19	-
Miscellaneous income	16	5	29	19
<b>Total</b>	<u>24</u>	<u>126</u>	<u>78</u>	<u>165</u>

**Note 2** Finance costs comprise the following:

	<b>3 MONTHS ENDED</b>		<b>9 MONTHS ENDED</b>	
	<b>30-Apr-19</b>	<b>30-Apr-18</b>	<b>30-Apr-19</b>	<b>30-Apr-18</b>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Hire purchase interest	(11)	(18)	(48)	(49)
<b>Total</b>	<u>(11)</u>	<u>(18)</u>	<u>(48)</u>	<u>(49)</u>

**Note 3** Other operating expenses include the following:

	<b>3 MONTHS ENDED</b>		<b>9 MONTHS ENDED</b>	
	<b>30-Apr-19</b>	<b>30-Apr-18</b>	<b>30-Apr-19</b>	<b>30-Apr-18</b>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Marketing expenses	(7)	(9)	(39)	(31)
Legal and professional fees	(45)	(37)	(91)	(109)
Operating lease expense - office factories and warehouses	(123)	(142)	(367)	(447)

**Note 4** Income tax comprises the following:

	<b>3 MONTHS ENDED</b>		<b>9 MONTHS ENDED</b>	
	<b>30-Apr-19</b>	<b>30-Apr-18</b>	<b>30-Apr-19</b>	<b>30-Apr-18</b>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Current tax - prior years	-	5	-	2

**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 9 MONTHS ENDED		
	30 Apr 2019	30 Apr 2018	Increase/ (Decrease)	30 Apr 2019	30 Apr 2018	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Net (loss) / profit for the period from continuing operations</b>	<b>(127)</b>	41	(409.8%)	<b>(492)</b>	(338)	45.6%
<b>Other comprehensive income / (loss):</b>						
Translation differences relating to financial statements of foreign subsidiary corporations and an associate	(9)	1	(1000.0%)	7	(8)	(187.5%)
Translation differences arising on monetary items forming part of net investments in foreign operations	3	-	N.M.	(18)	-	N.M.
<b>Other comprehensive (loss) / income for the period</b>	<b>(6)</b>	1	(700%)	<b>(11)</b>	(8)	37.5%
<b>Total comprehensive (loss) / income for the period</b>	<b>(133)</b>	42	(416.7%)	<b>(503)</b>	(346)	45.4%
<b>Total comprehensive (loss) / income attributable to:</b>						
Equity holders of the parent	(134)	41	(426.8%)	(507)	(336)	50.9%
Non-controlling interests	1	1	-	4	(10)	(140.0%)
<b>Total comprehensive (loss) / income for the period</b>	<b>(133)</b>	42	(416.7%)	<b>(503)</b>	(346)	45.4%

*N.M.: Not meaningful*

**(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	
	30 Apr 2019	31 Jul 2018	30 Apr 2019	31 Jul 2018
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>Non-current assets</b>				
Plant and equipment	1,703	1,714	183	75
Investments in subsidiary corporations	-	-	6,228	6,228
Investment in associated company	1,226	1,289	-	-
	<b>2,929</b>	3,003	<b>6,411</b>	6,303
<b>Current assets</b>				
Inventories	589	554	-	-
Development property	1,497	-	-	-
Trade receivables	1,198	1,300	-	11
Other receivables	1,753	1,759	1,704	1,313
Trade amount due from subsidiary corporations	-	-	479	479
Non-trade amount due from subsidiary corporations	-	-	4,799	3,845
Cash and cash equivalents	7,591	7,202	5,992	5,609
	<b>12,628</b>	<b>10,815</b>	<b>12,974</b>	<b>11,257</b>
<b>Total assets</b>	<b>15,557</b>	13,818	<b>19,385</b>	17,560
<b>Equity attributable to equity holders of the parent</b>				
Share capital	141,665	139,159	141,665	139,159
Other reserves	(39)	(110)	-	-
Accumulated losses	(129,392)	(128,814)	(140,311)	(139,518)
	<b>12,234</b>	10,235	<b>1,354</b>	(359)
<b>Non-controlling interests</b>	<b>176</b>	118	-	-
<b>Total equity</b>	<b>12,410</b>	10,353	<b>1,354</b>	(359)
<b>Non-current liabilities</b>				
Finance lease liabilities	497	569	69	10
	<b>497</b>	569	<b>69</b>	10
<b>Current liabilities</b>				
Trade and other payables	2,340	2,460	332	720
Trade amount due to subsidiary corporations	-	-	152	113
Non-trade amount due to subsidiary corporations	-	-	17,448	17,043
Finance lease liabilities	289	415	30	33
Current income tax liabilities	21	21	-	-
	<b>2,650</b>	2,896	<b>17,962</b>	17,909
<b>Total liabilities</b>	<b>3,147</b>	3,465	<b>18,031</b>	17,919
<b>Total equity and liabilities</b>	<b>15,557</b>	13,818	<b>19,385</b>	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 30 April 2019		As at 31 July 2018	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
289	-	415	-

Amount repayable after one year

As at 30 April 2019		As at 31 July 2018	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
497	-	569	-

Details of any collateral:

Secured borrowings at 30 April 2019 mainly refer to the following:

- a. Finance lease liabilities amounting to S\$0.79 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**

Note	Group		Group	
	3rd Quarter Ended		9 Months Ended	
	30 Apr 2019	30 Apr 2018	30 Apr 2019	30 Apr 2018
	\$'000	\$'000	\$'000	\$'000
<b>Operating activities</b>				
(Loss) / profit before taxation	(127)	36	(492)	(340)
<b>Adjustments for:</b>				
Impairment loss on financial assets	30	-	108	-
Interest income	(6)	-	(44)	-
Interest expense	11	18	48	49
Depreciation	85	85	261	232
Loss on disposal of plant and equipment	17	-	17	-
Share of (profit) / loss of an associated company	(8)	-	28	-
Operating profit / (loss) before working capital changes	2	139	(74)	(59)
<b>Changes in working capital:</b>				
Inventories	(3)	(77)	(35)	(99)
Development property	(1,497)	-	(1,497)	-
Trade and other receivables	(208)	(649)	48	(346)
Trade and other payables	254	(189)	(120)	22
Cash used in operations	(1,452)	(776)	(1,678)	(482)
Income tax refunded	-	3	-	-
<b>Cash flows used in operating activities</b>	<b>(1,452)</b>	<b>(773)</b>	<b>(1,678)</b>	<b>(482)</b>
<b>Investing activities</b>				
Interest received	6	-	44	-
Purchase of plant and equipment	(35)	(167)	(136)	(220)
Proceed from disposal of plant and equipment	1	-	1	-
<b>Cash flows used in investing activities</b>	<b>(28)</b>	<b>(167)</b>	<b>(91)</b>	<b>(220)</b>
<b>Financing activities</b>				
Interest paid	(11)	(18)	(48)	(49)
Repayment of finance lease liabilities	(74)	(6)	(330)	(251)
Proceeds / (Expenses) from issuance of shares	2,506	(31)	2,506	4,959
<b>Cash flows generated from / (used in) financing activities</b>	<b>2,421</b>	<b>(55)</b>	<b>2,128</b>	<b>4,659</b>
Net increase / (decrease) in cash and cash equivalents	941	(995)	359	3,957
Cash and cash equivalents at beginning of the period	6,650	8,607	7,202	3,665
Effects of currency translation on cash and cash equivalents	-	3	30	(7)
<b>Cash and cash equivalents at end of the period</b>	<b>7,591</b>	<b>7,615</b>	<b>7,591</b>	<b>7,615</b>



Explanatory notes to the consolidated cash flow statement

**Note A.** Cash and cash equivalents comprise the following:

	30 Apr 2019	30 Apr 2018
	\$'000	\$'000
Cash at bank and in hand	3,091	2,615
Fixed deposits	4,500	5,000
Cash and cash equivalents in the cash flow statement	<u>7,591</u>	<u>7,615</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					Total equity S\$'000
	Share Capital S\$'000	Currency translation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	Non-controlling interests S\$'000	
<b>At 31 July 2017 (as previously stated)</b>	134,220	(85)	(128,208)	5,927	115	6,042
Effects of adoption of SFRS(I)	-	85	(85)	-	-	-
<b>At 1 August 2017 (as restated)</b>	134,220	-	(128,293)	5,927	115	6,042
Total comprehensive loss for the period	-	4	(246)	(242)	(10)	(252)
<b>At 31 October 2017</b>	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
<b>At 31 January 2018</b>	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)
<b>At 30 April 2018</b>	139,179	3	(128,632)	10,550	105	10,655

	Attributable to equity holders of the Company					Total equity S\$'000
	Share Capital S\$'000	Currency translation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	Non-controlling interests S\$'000	
<b>At 31 July 2018 (as previously stated)</b>	139,159	(110)	(128,814)	10,235	118	10,353
Effects of adoption of SFRS(I)	-	85	(85)	-	-	-
<b>At 1 August 2018 (as restated)</b>	139,159	(25)	(128,899)	10,235	118	10,353
Total comprehensive loss for the period	-	(8)	(214)	(222)	3	(219)
<b>At 31 October 2018</b>	139,159	(33)	(129,113)	10,013	121	10,134
Total comprehensive loss for the period	-	-	(151)	(151)	-	(151)
<b>At 31 January 2019</b>	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	-	-	-	-	54	54
<b>At 30 April 2019</b>	141,665	(39)	(129,392)	12,234	176	12,410

**Statement of Changes in Equity for the Company**

	Attributable to equity holders of the Company		
	Share Capital \$'000	Accumulated losses \$'000	Total equity \$'000
<b>At 1 August 2017</b>	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)
<b>At 30 April 2018</b>	139,179	(139,265)	(86)
<b>At 1 August 2018</b>	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
<b>At 30 April 2019</b>	141,665	(140,311)	1,354

**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.**

In 3Q2019, the Company issued 8,950,000 new shares pursuant to an exercise of 8,950,000 share warrants at an exercise price of S\$0.28 per new share. Upon completion of the share warrants exercise, the issued share capital of the Company was increased from 119,776,362 Shares to 128,726,362 Shares.

As at 30 April 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 the end of 3Q2019, 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 (3Q2018: 36,786,000 warrants).

8,950,000 share warrants were exercised in 3Q2019 (3Q2018: 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 30 April 2019 was 128,726,362 (31 July 2018: 119,776,362). There were no treasury shares held by the Company at 30 April 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			
	3rd Quarter (3 Months)		Nine Months (9 Months)	
	30 Apr 2019	30 Apr 2018	30 Apr 2019	30 Apr 2018
6(a) Based on the weighted average number of ordinary shares on issue (in cents)	<b>(0.10)</b>	0.03	<b>(0.40)</b>	(0.29)
Weighted average number of ordinary shares (in million)	<b>128.73</b>	119.78	<b>122.69</b>	115.77
6(b) On a fully diluted basis (in cents)	<b>(0.08)</b>	0.03	<b>(0.33)</b>	(0.22)
Weighted average number of ordinary shares (in million)	<b>156.56</b>	156.56	<b>150.53</b>	152.56

**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	
	30 Apr 2019	31 July 2018	30 Apr 2019	31 July 2018
<b>Net asset value per ordinary share based on issued share capital at the end of the financial period / year (in cents)</b>	<b>9.64</b>	8.64	<b>1.05</b>	(0.30)

Net asset value per ordinary share as at 30 April 2019 is calculated based on the existing issued share capital of 128,726,362 ordinary shares outstanding as at 30 April 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	3rd Quarter ended (3 months)			
	30 Apr 19 S\$'mil	30 Apr 18 S\$'mil	+ / (-) S\$'mil	+ / (-) %
Printing	1.65	1.79	(0.14)	(7.8%)
Other revenue	0.01	0.04	(0.03)	(75.0%)
Total revenue	<b>1.66</b>	<b>1.83</b>	(0.17)	(9.3%)

Printing revenue in 3Q2019 was S\$1.65 million, a 7.8% decrease compared with the previous corresponding quarter. This was partly because the seasonal demand for Chinese New Year corresponded to the 2nd quarter of this financial year but during the last financial year it corresponded to the 3rd quarter.

As expected, the printing industry remained challenging in 3Q2019 as new technologies from the digital print segment continue to replace the demand in the traditional offset printing segment. The Group has and will continue to upgrade its capabilities with technologically advanced machinery to offer more new products to our existing customers and increase the customer base.

The Smart Technologies segment did not make any significant contribution to the Group's revenue in 3Q2019.

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

Total inventories used and changes in inventories in 3Q2019 was S\$0.56 million, a 1.4% decrease compared with 3Q2018, the movement was not significant.

**Other income**

Other income for 3Q2019 was S\$24,000 compared with S\$126,000 in 3Q2018, mainly due to lower government grants received in 3Q2019.

### **Staff costs**

Staff costs for 3Q2019 was S\$0.86 million, 4.4% lower than the S\$0.90 million in 3Q2018, as the Group continues to streamline its operations.

### **Depreciation**

There was no significant movement in depreciation charges for 3Q2019 compared to 3Q2018.

### **Other operating expenses**

There was no significant movement in other operating expenses for 3Q2019 compared to 3Q2018.

### **Share of profit of an associated company**

The Group's associated company, Sheng Siong (China) Supermarket Co. Ltd, turned profitable in 3Q2019 as shopper traffic for the mall gradually increases. The Group did not equity account for the results of the associated company in 3Q2018 as it was immaterial.

### **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.

## **STATEMENT OF FINANCIAL POSITION**

### **Plant and equipment**

The Group's plant and equipment was S\$1.70 million as at 30 April 2019 compared with S\$1.72 million as at 31 January 2019, mainly due to the disposal of office equipment and depreciation expense that were partially offset by purchase of printing equipment in the current quarter.

### **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\$1.22 million as at 30 April 2019 and the increase in this current quarter was due to the share of profit of the associated company in Q32019.

### **Inventories**

There was no significant movement in the level of inventories in 3Q2019.

### **Development property**

The group made payment of S\$1.50 million to acquire the land for its Timor Marina Square project in Dili, Timor-Leste, during the current quarter.

### **Trade and other receivables**

Trade receivables increased by S\$0.27 million from S\$0.93 million as at 31 January 2019 to S\$1.20 million as at 30 April 2019 mainly due to sales in 3Q2019 which were not due for collection.

Other receivables amounted to S\$1.75 million as at 30 April 2019, compared with S\$1.80 million as at 31 January 2019. The decrease is due to collection from sundry debtors during the current quarter.

### **Trade and other payables**

Trade and other payables increased from S\$2.09 million as at 31 January 2019 to S\$2.34 million as at 30 April 2019 mainly due to the shareholders' loan from minority shareholders of the Timor Marina Square project in Dili, Timor-Leste.

### **Borrowings**

The Group's borrowings consist only of finance lease obligations. Instalment payments made during Q3FY2019 were partially offset by new finance lease obtained during the same period.

## **REVIEW OF CASH FLOWS**

The Group achieved a breakeven for its operating profit before working capital changes in Q3FY2019. Cash out-flows due to changes in working capital was S\$1.45 million mainly due to the increase in development property. The above contributed to net cash flows used in operating activities of S\$1.45 million in Q3FY2019.

Net cash flows used in investing activities was \$0.03 million mainly due to the purchase of plant and equipment in Q3FY2019.

Net cash flows generated from financing activities was \$2.42 million mainly due to the proceeds received for share warrants exercised in Q3FY2019.

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**

Although the printing industry landscape remains challenging due to the advent of digital media, the Group is hopeful that its continued expansion of client base and product range through the adoption of technological advances will stabilise its revenue base.

The Group's maiden property development project in Timor-Leste is taking shape. The land for the project named Timor Marina Square ("TMS") was successfully acquired during Q32019. 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 to develop a mixed development property has undergone pre-consultation with the Timor Building Authorities and TMS will make a formal submission to the Authorities for approval soon.

The Group's associated company which opened its first Sheng Siong supermarket store late last year in Kunming, China, turned profitable this quarter. The associated company is maintaining the strategy of gradually expanding the chain of supermarket stores, while promoting the "Sheng Siong" brand locally. As previously reported, the associated company has signed a lease contract for a new store in Kunming and preparatory work for its opening is ongoing.

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 2Q2019, the Company wishes to update the shareholders that the proceeds from the Share Placement of 5,712,282 shares on 21 October have been fully utilised and 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)	Use of Proceeds from Share Placement (S\$'000)
Balance proceeds from the last announced Share placement of 7,150,000 shares	1,417	4,939
Less utilisation:		
• Development Property - Purchase of land at Timor-Leste	(1,417)	(80)
<b>Total net proceeds balance from the Placement</b>	<b>Nil</b>	<b>4,859</b>

- 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 by the Board**

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to its attention of which may render the interim financial statement for the financial period ended 30 April 2019 to be false or misleading in any material aspect.

**16 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.

**BY ORDER OF THE BOARD**

Lim Huan Chiang  
Executive Director and Chief Executive Officer  
13 June 2019