



A-Smart Holdings Ltd

(Registration No. 199902058Z)

**UNAUDITED RESULTS FOR THE
FIRST QUARTER ENDED 31 OCTOBER 2017**

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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			
Note	31 Oct 2017	31 Oct 2016	Increase / (decrease)
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Revenue	1,690	1,876	(9.9%)
Other income	38	75	(49.3%)
Total Revenue	1,728	1,951	(11.4%)
Costs and expenses			
Changes in inventories of finished goods and work-in-progress	17	19	(10.5%)
Raw materials and consumables used	(524)	(565)	(7.3%)
Staff costs	(936)	(868)	7.8%
Depreciation	(74)	(80)	(7.5%)
Foreign currency (loss)/ gain	-	-	N.M.
Other operating expenses	(440)	(421)	4.5%
Finance costs	(17)	(15)	13.3%
(Loss)/Profit before tax	(246)	21	(1271.4%)
Income tax	-	-	N.M.
Net (loss)/profit for the period	(246)	21	(1271.4%)
Attributable to:			
Equity holders of the parent	(246)	21	(1271.4%)
Non- controlling interests	-	-	N.M.
Net (loss)/profit for the period	(246)	21	(1271.4%)

N.M. : Not meaningful

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

Note 1 Other income comprises the following:

	3 MONTHS ENDED			
	31-Oct-17		31-Oct-16	
	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
	\$'000	\$'000	\$'000	\$'000
Bad debts recovered	-	-	5	-
Rental income	-	-	7	-
Miscellaneous income	38	-	63	-
Total	38	-	75	-

Note 2 Finance costs comprise the following:

	3 MONTHS ENDED			
	31-Oct-17		31-Oct-16	
	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
	\$'000	\$'000	\$'000	\$'000
Hire purchase interest	(17)	-	(15)	-
Total	(17)	-	(15)	-

Note 3 Other operating expenses include the following:

	3 MONTHS ENDED			
	31-Oct-17		31-Oct-16	
	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
	\$'000	\$'000	\$'000	\$'000
Marketing Expenses	(9)	-	(12)	-
Professional Fee	(53)	-	(58)	-
Operating lease expense - office, factories and warehouses	(152)	-	(149)	-

Note 4 Income tax comprises the following:

	3 MONTHS ENDED			
	31-Oct-17		31-Oct-16	
	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
	\$'000	\$'000	\$'000	\$'000
Current tax- prior years	-	-	-	-

Note: N.M. – Not meaningful

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

GROUP		
3 MONTHS ENDED		
31 Oct 2017	31 Oct 2016	Increase/ Decrease
\$'000	\$'000	%
Continuing Operations		
Net (loss)/ profit for the period from continuing operations	(246)	21 (1271.4%)
Other comprehensive (loss)/ income:		
Translation differences relating to financial statements of subsidiary corporations	(3)	3 (200.0%)
Other comprehensive (loss)/ income for the period from continuing operations	(3)	3 (200.0%)
Total comprehensive (loss)/ income for the period from continuing operations	(249)	24 (1137.5%)
Total comprehensive (loss)/ income attributable to:		
Equity holders of the parent	(252)	(9) 2700.0%
Non-controlling interests	3	33 N.M.
Total comprehensive (loss)/ income for the period from continuing operations	(249)	24 (1137.5%)

(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 Oct 2017	31 Jul 2017	31 Oct 2017	31 Jul 2017
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Plant and equipment	1,748	1,814	111	124
Investments in subsidiary corporations		-	6,010	6,010
Investment in associated company	1,377	1,377	-	-
	3,125	3,191	6,121	6,134
Current assets				
Inventories	512	495	278	278
Trade receivables	1,150	1,160	135	180
Other receivables	1,875	1,858	1,348	1,347
Non-trade amount due from subsidiary corporations	-	-	3,767	3,717
Cash and cash equivalents	3,653	3,665	1,832	2,071
	7,190	7,178	7,360	7,593
Total assets	10,315	10,369	13,481	13,727
Equity attributable to equity holders of the parent				
Share capital	134,220	134,220	134,220	134,220
Other reserves	(88)	(85)	-	-
Accumulated losses	(128,454)	(128,208)	(138,534)	(138,162)
	5,678	5,927	(4,314)	(3,942)
Non-controlling interests	112	115	-	-
Total equity	5,790	6,042	(4,314)	(3,942)
Non-current liabilities				
Finance lease liabilities	756	869	35	42
	756	869	35	42
Current liabilities				
Trade and other payables	3,224	2,914	863	1,742
Trade amount due to subsidiary corporations	-	-	59	59
Non-trade amount due to subsidiary corporations	-	-	16,805	15,793
Finance lease liabilities	523	522	33	33
Current income tax liabilities	22	22	-	-
	3,769	3,458	17,760	17,627
Total liabilities	4,525	4,327	17,795	17,669
Total equity and liabilities	10,315	10,369	13,481	13,727

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 October 2017		As at 31 July 2017	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
523	-	522	-

Amount repayable after one year

As at 31 October 2017		As at 31 July 2017	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
756	-	869	-

Details of any collateral:

Secured borrowings at 31 October 2017 mainly refer to the following:

- a. Finance lease liabilities amounting to S\$1.28 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	
	3 Months Ended	
	31 Oct 2017	31 Oct 2016
	\$'000	\$'000
Operating activities		
(Loss)/ Profit before taxation	(246)	21
Adjustments for:		
Interest expense	17	15
Depreciation of plant and equipment	74	80
Operating (loss)/ profit before working capital changes	(155)	116
Changes in working capital:		
Inventories	(17)	(19)
Trade and other receivables	(7)	(368)
Trade and other payables	310	177
Cash used in operations	131	(94)
Income tax (paid)/ refund	-	-
Cash flows generated from/ (used in) operating activities	131	(94)
Investing activities		
Purchase of plant and equipment	(8)	-
Payment for investment in associate corporation	-	(689)
Cash flows used in investing activities	(8)	(689)
Financing activities		
Interest paid	(17)	(15)
Repayment of finance lease instalments	(112)	(119)
Proceeds from issuance of shares	-	3,970
Cash flows (used in)/ generated from financing activities	(129)	3,836
Foreign currency translation adjustments	(6)	(30)
Net (decrease)/ increase in cash and cash equivalents	(12)	3,023
Cash and cash equivalents at beginning of the period	3,665	2,768
Cash and cash equivalents at end of the period	3,653	5,791

Explanatory notes to the consolidated cash flow statement

Note A. Cash and cash equivalents comprise the following:

	31 Oct 2017	31 Oct 2016
	\$'000	\$'000
Cash at bank and in hand	3,653	5,791
Fixed deposits	-	-
Cash and cash equivalents	3,653	5,791
Bank overdrafts (secured)	-	-
Fixed deposits pledged	-	-
Cash and cash equivalents in the cash flow statement	3,653	5,791

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 \$'000	Currency translation reserve \$'000	Share option reserve \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 August 2016	130,301	(82)	57	(128,397)	1,879	178	2,057
Total comprehensive income for the period	-	3	-	21	24	(33)	(9)
Issuance of ordinary shares pursuant to share placement	3,970	-	-	-	3,970	-	3,970
At 31 October 2016	134,271	(79)	57	(128,376)	5,873	145	6,018
At 1 August 2017	134,220	(85)	-	(128,208)	5,927	115	6,042
Total comprehensive loss for the period	-	(3)	-	(246)	(249)	(3)	(252)
At 31 October 2017	134,220	(88)	-	(128,454)	5,678	112	5,790

Statement of Changes in Equity for the Company

Attributable to equity holders of the Company

	Share capital \$'000	Share option reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1 August 2016	130,301	57	(121,233)	9,125
Total comprehensive loss for the period	-	-	(334)	(334)
Issuance of ordinary shares pursuant to share placement	3,970	-	-	3,970
At 31 October 2016	134,271	57	(121,567)	12,761
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)

- 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 changes to the Company's share capital for this quarter's reporting for the period ended 31 July 2017 to the period ended 31 October 2017.

As at 31 October 2017, 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 1Q2018, there were 36,786,000 warrants that can be converted into 36,786,000 ordinary shares at the exercise price of S\$0.28 per new share (1Q2018: 36,786,000 warrants).

No share warrants were exercised in 1Q2018 (1Q2017: 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 October 2017 was 112,626,362 (31 July 2017: 112,626,362). There were no treasury shares held by the Company at 31 October 2017.

- 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 2017.

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 applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the year ended 31 July 2017, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 August 2017.

Financial Reporting Standards ("FRS") which became effective for the Group's financial year beginning 1 August 2017 are:

Amendments to FRS 7 Statement of Cash Flows
Amendments to FRS 12 Income Taxes
Amendments to FRS 112 Disclosure of Interests in Other Entities

The Group does not expect any significant financial impact on the financial statements from the adoption of these amendments to FRSs.

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	
	Three Months (3 Months)	
	31 Oct 2017	31 Oct 2016
6(a) Based on the weighted average number of ordinary shares on issue (in cents)		
- Continuing operations	(0.2181)	0.0189
- Discontinued operations	-	-
Weighted average number of ordinary shares (in million)	112.63	111.20
6(b) On a fully diluted basis (in cents)		
- Continuing operations	(0.1644)	0.0142
- Discontinued operations	-	-
Weighted average number of ordinary shares (in million)	149.41	147.99

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 Oct 2017	31 Oct 2016	31 Oct 2017	31 Oct 2016
Net asset value per ordinary share based on issued share capital at the end of the financial period / year (in cents)	5.14	5.34	(3.83)	11.33

Net asset value per ordinary share as at 31 October 2017 is calculated based on the existing issued share capital of 112,626,482 ordinary shares outstanding as at 31 October 2017 (31 October 2016: 112,626,482).

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.

8(a) INCOME STATEMENT

Revenue

Business Activity	Three-Month (3 Months Ended)			
	31 Oct 17 S\$'000	31 Oct 16 S\$'000	+ / (-) S\$'000	+ / (-) %
Printing revenue	1,690	1,876	(186)	(9.9%)
Other Revenue	-	-	-	n.m.
Total Revenue	1,690	1,876	(186)	(9.9%)

Overview

For 1Q2018, the Group recorded Printing Revenue of S\$1.69 million, a 9.9% decrease from the previous corresponding quarter due to a decline in recurring orders during the current quarter. The Group's print revenue in 1Q2018 was affected when our financial printing clients cut back on spending as the financial services sector in Singapore is still undergoing a stage of low growth.

There was no revenue contribution from the Technology and Media and Events Management segments in 1Q2018.

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

In 1Q2018, the cost of raw materials and consumables such as paper, films and plates decreased by 7.3% to S\$0.51 million compared to S\$0.55 million in 1Q2017, in tandem with the decline in revenue.

Other income

Other income was S\$38,000 in 1Q2018, a decrease of 49.3% compared to 1Q2017 mainly due to lower government grants received in 1Q2018.

Staff costs

Staff costs for 1Q2018 was S\$0.94 million, 7.8% higher than the S\$0.87 million in 1Q2017, mainly due to staff costs of Technology segment which commenced operations in 1Q2018.

Depreciation

Depreciation charges for 1Q2018 were lower than that of 1Q2017 as certain plant and equipment were fully depreciated in FY2017.

Other operating expenses

Other operating expenses were 4.5% higher in 1Q2018 compared to 1Q2017, mainly due to higher lease charges of the Group's digital printing machines in 1Q2018.

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 offset against the current year's taxable income.

STATEMENT OF FINANCIAL POSITION

Property, plant and equipment

The Group's plant and equipment of S\$1.75 million was lower at the end of 1Q2018 compared to 31 July 2017 due to the depreciation charge in 1Q2018.

Investment in associate corporations

The investment in associated company refers to the 10% interest that the Group holds in the joint venture company, Sheng Siong (China) Supermarket Co., Ltd, which commenced operations in late October 2017.

Inventories

There was no significant movement in the level of inventories in 1Q2018.

Trade and other receivables

Trade receivables was S\$1.15 million as at 31 October 2017 which is comparable to the S\$1.16 million as at 31 July 2017, mainly due to uncollected receivable for sales relating to 1Q2018.

Other receivables amounted to S\$1.88 million as at 31 October 2017, compared with S\$1.86 million as at 31 July 2017. These mainly consist of the amount receivable for the sale of subsidiary corporations and deposits paid.

Trade and other payables

Trade and other payables increased from S\$2.9 million as at 31 July 2017 to S\$3.2 million as at 31 October 2017 mainly due to the accrual of operating expenses in 1Q2018.

Borrowings

The Group's borrowings consist only of finance lease obligations and the quarterly decline from 31 July 2017 to 31 October 2017 is due to the instalment payments made during 1Q2018.

REVIEW OF CASH FLOWS

There was no significant increase or decrease in the Group's cash and cash equivalents in 1Q2018.

Comparatively in 1Q2017, there was a net increase of S\$3.0 million mainly due to the proceeds from the Share Placement.

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

As a result of the decline in revenue from recurring seasonal orders, amidst an increase in operational expenses for its new business segments, the Group posted a net loss of S\$0.25 million in 1Q2018.

Print media remains dominant in reaching out to the traditional mass audience, even though it is challenged by digital media. Our Printing business is therefore reviewing its technology and assessing new products and services for raising its competitiveness.

Digital technology and ecological sustainability continues to be important drivers of Singapore's future growth. Therefore, our Group remains focused on growing new enterprises in these two areas. Presently, the Technologies business is marketing a suite of smart IT solutions for raising profitability of retail and F&B establishments, and green technology systems for the circular economy of organic waste. It is also assessing new technologies for intelligent enterprise.

The Board remains confident that the Group's restructuring is relevant for positive contribution. Besides our investment in 10% of the Sheng Siong China supermarket chain and the proposed mixed property development project in Timor-Leste that is pending shareholders' approval, the Board is also actively exploring viable business opportunities to diversify the Group's revenue base and provide additional income streams that may potentially enhance the Group's business performance and sustainability.

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 30 of the Company's annual report for FY2017, the Company wishes to update the shareholders that the proceeds from the Share Placement of 5,714,282 shares on 21 October 2016 have been utilised as follows:

	Use of Proceeds from Share Placement (S\$'000)
Balance proceeds from the last announced	1,907
<u>Less:</u>	
<i>Payment for:</i>	
General working capital (made up of):	
Corporate expenses (legal, professional and compliance fees)	60
Balance proceeds as at 31 October 2017	1,847

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 31 October 2017 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 Chairman and CEO
15 December 2017