



A-Smart Holdings Ltd.

(Registration No. 199902058Z)

**UNAUDITED RESULTS FOR THE
THIRD QUARTER ENDED 30 APRIL 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

	Note	GROUP 3 MONTHS ENDED			GROUP 9 MONTHS ENDED		
		30 Apr 2017	30 Apr 2016	Increase / (decrease)	30 Apr 2017	30 Apr 2016	Increase / (decrease)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		2,050	1,997	2.7%	6,036	5,985	0.9%
Other income	1	20	107	(81.3%)	101	265	(61.9%)
Total Revenue		2,070	2,104	(1.6%)	6,137	6,250	(1.8%)
Costs and expenses							
Changes in inventories of raw materials and consumables		22	(148)	(114.9%)	55	16	243.8%
Raw materials and consumables used		(691)	(554)	24.7%	(1,986)	(1,647)	20.6%
Loss on disposal of investment in subsidiary corporations		-	392	N.M.	-	(7,959)	N.M.
Staff costs		(913)	(1,119)	(18.4%)	(2,679)	(3,371)	(20.5%)
Depreciation of plant and equipment		(78)	(44)	77.3%	(235)	(153)	53.6%
Exchange gain - net		11	2	450.0%	3	198	(98.5%)
Other operating expenses	3	(365)	(397)	(8.1%)	(1,156)	(1,431)	(19.2%)
Finance costs	2	(16)	(78)	(79.5%)	(47)	(97)	(51.5%)
Profit/(Loss) before taxation		40	158	(74.7%)	92	(8,194)	(101.1%)
Income tax	4	4	-	N.M.	-	30	N.M.
Net loss from discontinued operations		-	(392)	N.M.	-	(1,310)	N.M.
Net profit/(loss) for the period		44	(234)	(118.8%)	92	(9,474)	(101.0%)
Attributable to:							
Equity holders of the parent		41	(234)	(117.5%)	91	(9,472)	(101.0%)
Non- controlling interests		3	-	N.M.	1	(2)	(150.0%)
Net profit/(loss) for the period		44	(234)	(118.8%)	92	(9,474)	(101.0%)

N.M. : Not meaningful

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

Note 1 Other income comprises the following:

Note	3 MONTHS ENDED				9 MONTHS ENDED			
	30-Apr-17		30-Apr-16		30-Apr-17		30-Apr-16	
	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bad debts recovered	-	-	-	-	5	-	7	-
Rental income	-	-	-	-	7	-	-	-
Interest income on bank deposits	-	-	8	-	-	-	8	-
Gain on disposal of PPE	-	-	8	26	-	-	8	26
Miscellaneous income	20	-	91	-	89	-	242	8
Total	20	-	107	26	101	-	265	34

Note 2 Finance costs comprise the following:

Note	3 MONTHS ENDED				9 MONTHS ENDED			
	30-Apr-17		30-Apr-16		30-Apr-17		30-Apr-16	
	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest expense for:								
- Bank overdrafts	-	-	(9)	-	-	-	(18)	-
- Finance lease liabilities	(16)	-	(69)	-	(47)	-	(79)	-
Total	(16)	-	(78)	-	(47)	-	(97)	-

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

Note 3 Other operating expenses include the following:

Note	3 MONTHS ENDED				9 MONTHS ENDED			
	30-Apr-17		30-Apr-16		30-Apr-17		30-Apr-16	
	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Marketing Expenses	(11)	-	(5)	(14)	(65)	-	(56)	(39)
Legal, professional and compliance expenses	(26)	-	(204)	295	(198)	-	-	-
Operating lease expense - office, factories and warehouses	(152)	-	(163)	(66)	(464)	-	(457)	(259)

Note 4 Income tax comprises the following:

Note	3 MONTHS ENDED				9 MONTHS ENDED			
	30-Apr-17		30-Apr-16		30-Apr-17		30-Apr-16	
	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current tax- prior years	4	-	-	-	-	-	30	-

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 year

	GROUP 3 MONTHS ENDED			GROUP 9 MONTHS ENDED		
	30 Apr 2017 \$'000	30 Apr 2016 \$'000	Increase/ (Decrease) %	30 Apr 2017 \$'000	30 Apr 2016 \$'000	Increase/ (Decrease) %
Continuing Operations						
Net profit/ (loss) for the period from continuing operations	41	158	74.1%	91	(8,164)	101.1%
Other comprehensive income / (loss):						
Translation differences relating to financial statements of foreign subsidiary corporations	15	15	0.0%	(12)	(102)	88.2%
Translation differences arising on monetary items forming part of net investments in foreign operations	(3)	4	(175.0%)	18	7	(157.1%)
Other comprehensive income/ (loss) for the period from continuing operations	12	19	(36.8%)	6	(95)	106.3%
Total comprehensive income/ (loss) for the period from continuing operations	53	177	70.1%	97	(8,259)	101.2%
Discontinued Operations						
Net loss for the period from discontinued operations	-	(392)	N.M.	-	(1,310)	N.M.
Other comprehensive Income / (loss):						
Translation differences relating to financial statements of foreign subsidiary corporations	-	(47)	N.M.	-	(1,442)	N.M.
Translation differences arising on monetary items forming part of net investments in foreign operations	-	95	N.M.	-	(571)	N.M.
Other comprehensive income / (loss) for the period from discontinued operations	-	48	N.M.	-	(2,013)	N.M.
Total comprehensive loss for the period from discontinued operations	-	(344)	N.M.	-	(3,323)	N.M.
Total comprehensive income/ (loss) attributable to:						
Equity holders of the parent	53	(167)	131.7%	66	(11,580)	100.6%
Non-controlling interests	-	-	N.M.	31	(2)	N.M.
Total comprehensive income/ (loss) for the period from continuing operations	53	(167)	131.7%	97	(11,582)	100.8%

(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	
	30 Apr 2017	31 Jul 2016	30 Apr 2017	31 Jul 2016
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Plant and equipment	1,783	1,956	124	106
Investments in subsidiary corporations	-	-	6,010	6,000
Investment in associated company	1,377	-	-	-
	3,160	1,956	6,134	6,106
Current assets				
Inventories	167	112	-	-
Trade receivables	1,388	1,179	143	201
Other receivables	2,116	1,962	1,649	1,395
Non-trade amount due from subsidiary corporations	-	-	3,510	2,816
Cash and cash equivalents	3,902	2,768	2,557	1,944
	7,573	6,021	7,859	6,356
Total assets	10,733	7,977	13,993	12,462
Equity attributable to equity holders of the parent				
Share capital	134,220	130,301	134,220	130,301
Other reserves	(75)	(25)	-	57
Accumulated losses	(128,252)	(128,397)	(122,076)	(121,233)
	5,893	1,879	12,144	9,125
Non-controlling interests	147	178	-	-
Total equity	6,040	2,057	12,144	9,125
Non-current liabilities				
Finance lease liabilities	947	1,314	51	78
	947	1,314	51	78
Current liabilities				
Trade and other payables	3,212	4,064	666	3,228
Trade amount due to subsidiary corporations	-	-	59	-
Non-trade amount due to subsidiary corporations	-	-	1,040	-
Finance lease liabilities	512	520	33	30
Current income tax liabilities	22	22	-	-
	3,746	4,606	1,798	3,258
Total liabilities	4,693	5,920	1,849	3,336
Total equity and liabilities	10,733	7,977	13,993	12,461

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 2017		As at 31 July 2016	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
512	-	520	-

Amount repayable after one year

As at 30 April 2017		As at 31 July 2016	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
947	-	1,314	-

Details of any collateral:

Secured borrowings at 30 April 2017 mainly refer to the following:

- a. Finance lease liabilities amounting to S\$1.46 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 2017	30 Apr 2016	30 Apr 2017	30 Apr 2016
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit/ (loss) before taxation	40	(234)	92	(9,504)
Adjustments for:				
Interest expense	16	25	47	44
Interest income	-	(8)	-	(8)
Depreciation of plant and equipment	78	268	235	785
Initial write down on asset held for sales	-	(392)	-	7,959
Gain on disposal of plant and equipment, net	-	(34)	-	(34)
Operating profit/ (loss) before working capital changes	134	(375)	374	(758)
Changes in working capital:				
Inventories	(22)	182	(55)	25
Trade and other receivables	(202)	894	(363)	1,780
Trade and other payables	54	(1,327)	(1,539)	(3,029)
Cash generated from / (used in) operations	(36)	(626)	(1,583)	(1,982)
Income tax refunded	4	-	-	30
Cash flows generated from / (used in) operating activities	(32)	(626)	(1,583)	(1,952)
Investing activities				
Interest received	-	8	-	8
Purchase of plant and equipment	(63)	(216)	(63)	(262)
Proceeds from disposal of plant and equipment, net	-	213	-	213
Payment for investment in associated company	-	-	(689)	-
Cash flows (used in) / generated from investing activities	(63)	5	(752)	(41)
Financing activities				
Interest paid	(16)	(25)	(47)	(44)
Repayment of finance lease liabilities	(128)	(163)	(375)	(203)
Proceeds from issuance of shares	-	-	3,919	-
Proceeds from share warrants exercised	-	-	-	2,070
Redemption of fixed deposits pledged	-	540	-	540
Cash flows (used in) / generated from financing activities	(144)	352	3,497	2,363
Foreign currency translation adjustments	8	(20)	(28)	(1,887)
Net (decrease)/ increase in cash and cash equivalents	(231)	(289)	1,134	(1,517)
Cash and cash equivalents at beginning of the period	4,133	825	2,768	2,053
Cash and cash equivalents at end of the period	3,902	536	3,902	536

Explanatory notes to the consolidated cash flow statement

Note A. Cash and cash equivalents comprise the following:

	30 Apr 2017	30 Apr 2016
	<u>\$'000</u>	<u>\$'000</u>
Cash and cash equivalents in the cash flow statement are made up of the following:		
Cash and cash equivalents shown in the cash flow statement	3,902	536
Less: Cash and cash equivalents of discontinued operations	-	(24)
Cash at bank and in hand of the Group	<u>3,902</u>	<u>512</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 \$'000
	Share capital \$'000	Currency translation reserve \$'000	Share option reserve \$'000	Accumulated losses \$'000	Reserve of asset classified as held for sale \$'000	Total \$'000	Non-controlling interests \$'000	
At 1 August 2015	125,033	(9,997)	706	(107,296)	-	8,446	180	8,626
Total comprehensive loss for the period	-	(752)	-	(188)	-	(940)	(2)	(942)
At 31 October 2015	125,033	(10,749)	706	(107,484)	-	7,506	178	7,684
Total comprehensive loss for the period	-	(1,423)	-	(9,050)	-	(10,473)	-	(10,473)
Exercise of share warrants	2,070	-	-	-	-	2,070	-	2,070
Classification of asset held for sale	-	12,058	-	-	(12,058)	-	-	-
At 31 January 2016	127,103	(114)	706	(116,534)	(12,058)	(897)	178	(719)
Total comprehensive loss for the period	-	67	-	(234)	-	(167)	-	(167)
Reversal of expenses incurred on share placement exercise	230	-	-	-	-	230	-	230
Classification of asset held for sale	-	(47)	-	-	151	104	-	104
At 30 April 2016	127,333	(94)	706	(116,768)	(11,907)	(730)	178	(552)
At 1 August 2016	130,301	(82)	57	(128,397)	-	1,879	178	2,057
Total comprehensive income / (loss) 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
Total comprehensive (loss) / income for the period	-	(11)	-	29	-	18	2	20
Share options lapsed	-	-	(3)	3	-	-	-	-
Expenses on issuance of ordinary shares pursuant to share placement	(51)	-	-	-	-	(51)	-	(51)
At 31 January 2017	134,220	(90)	54	(128,344)	-	5,840	147	5,987
Total comprehensive profit for the period	-	12	-	41	-	53	-	53
Share options lapsed	-	-	(54)	54	-	-	-	-
At 30 April 2017	134,220	(78)	-	(128,249)	-	5,893	147	6,040

Statement of Changes in Equity for the Company

Attributable to equity holders of the Company

	Share capital	Share option reserve	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000
At 1 August 2015	125,033	706	(118,871)	6,868
Total comprehensive loss for the period	-	-	(113)	(113)
At 31 October 2015	125,033	706	(118,984)	6,755
Total comprehensive loss for the period	-	-	(435)	(435)
Exercise of share warrants	2,070	-	-	2,070
At 31 January 2016	127,103	706	(119,419)	8,390
Total comprehensive loss for the period	-	-	(236)	(236)
Reversal of expenses incurred on share placement exercise	230	-	-	230
At 30 April 2016	127,333	706	(119,655)	8,384
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
Total comprehensive loss for the period	-	-	(255)	(255)
Expenses on issuance of ordinary shares pursuant to share placement	(51)	-	-	(51)
Share options lapsed	-	(3)	3	-
At 31 January 2017	134,220	54	(121,819)	12,455
Total comprehensive income for the period	-	-	(311)	(311)
Reversal of expenses incurred on share placement exercise	-	(54)	54	-
At 30 April 2017	134,220	-	(122,076)	12,144

- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.**

There were no movements in the Company's share capital for the third quarter ended 30 April 2017.

Share Options

The Company has a share option scheme known as the Executives' Share Option Scheme 2001 (the "Option Scheme") which was approved by members of the Company at the Extraordinary General Meeting held on 25 June 2001. The Option Scheme expired in July 2010 without being renewed.

At 30 April 2017, there were no outstanding share options which would entitle the holders to subscribe for ordinary shares of the Company (31 July 2016: 97,500 outstanding share options entitled to subscribe for 97,500 ordinary shares of the Company at a weighted average exercise price of S\$7.20 per share).

75,000 outstanding share options lapsed and expired in Q3FY2017 as they were not exercised on their expiry date of 28 February 2017.

- 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 2017 was 112,626,362 (31 July 2016: 106,912,080). There were no treasury shares held by the Company at 30 April 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, transfer, 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 2016.

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 2016, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 August 2016.

Financial Reporting Standards (“FRS”) which became effective for the Group’s financial period beginning 1 August 2016 are:

- FRS 114 Regulatory Deferral Accounts
- Amendments to FRS 1: Disclosure Initiative
- Amendments to FRS 27: Equity Method in Separate Financial Statements
- Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants
- Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations
- Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception
- Improvements to FRSs (November 2014)
 - Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations
 - Amendments to FRS 107 Financial Instruments: Disclosures
 - Amendments to FRS 19 Employee Benefits
 - Amendments to FRS 34 Interim Financial Reporting

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			
	3rd Quarter (3 Months)		Nine Months (9 Months)	
	30 Apr 2017	30 Apr 2016	30 Apr 2017	30 Apr 2016
6(a) Based on the weighted average number of ordinary shares on issue (in cents)				
- Continuing operations	0.04	0.17	0.08	(8.93)
- Discontinued operations	-	(0.41)	-	(1.43)
Weighted average number of ordinary shares (in million)	108.90	96.20	110.70	96.20
6(b) On a fully diluted basis (in cents)				
- Continuing operations	0.04	0.17	0.08	(8.93)
- Discontinued operations	-	(0.41)	-	(1.43)
Weighted average number of ordinary shares (in million)	108.90	96.20	110.70	96.20

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 2017	30 Apr 2016	30 Apr 2017	30 Apr 2016
Net asset value per ordinary share based on issued share capital at the end of the financial period / year (in cents)	5.36	(0.57)	10.78	8.72

Net asset value per ordinary share as at 30 April 2017 is calculated based on the existing issued share capital of 112,626,482 ordinary shares outstanding as at 30 April 2017 (30 April 2016: 96,198,200).

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	3rd Quarter ended (3 months)			
	30 Apr 17 S\$'mil	30 Apr 16 S\$'mil	+ / (-) S\$'mil	+ / (-) %
Printing revenue	2.05	2.00	0.05	2.5%
Media and events revenue	-	-	-	n.m.
	2.05	2.00	0.05	2.5%

Overview

The Group recorded Printing Revenue of S\$2.05 million in Q32017, a modest increase from the previous corresponding quarter.

The media and events segment did not record any revenue in 3Q2017 as the next event, a musical theatre show, will be held in the next financial quarter.

Raw materials and consumables used and changes in inventories of raw materials and consumables

In 3Q2017, the cost of raw materials and consumables such as paper, films and plates increased by 24.7% to S\$0.69 million compared to S\$0.55 million in 3Q2016, mainly due to additional purchase of project specific materials in 3Q2017.

Other income

Other income was S\$20,000 in 3Q2017 compared to S\$107,000 in 3Q2016 due to lesser sale of scrap paper and the absence of government grants in 3Q2017.

Staff costs

Staff costs for 3Q2017 was S\$0.9 million, 18.4% lower than the S\$1.1 million in 3Q2016, as the Group continues to streamline its operations.

Depreciation

Depreciation charges for 3Q2017 were higher than that of 3Q2016 mainly due to the depreciation charges recorded for the new offset printing machine.

Other operating expenses

Other operating expenses were 8.1% lower in 3Q2017 compared to 3Q2016, mainly due to lower legal and professional fees incurred in 3Q2017.

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

Plant and equipment

The Group's plant and equipment was S\$1.78 million as at 30 April 2017 compared with S\$1.79 million as at 31 January 2017, mainly because the current quarter's depreciation charge was significantly offset by the purchase of plant and equipment.

Investment in associated company

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 is scheduled to commence operations in August 2017.

Trade and other receivables

Trade receivables increased by S\$0.48 million to S\$1.39 million as at 30 April 2017 from S\$0.91 million as at 31 January 2017 mainly due to sales in 3Q2017 which were not due for collection.

Other receivables decreased by S\$0.27 million to S\$2.12 million as at 30 April 2017 from S\$2.39 million as at 31 January 2017 mainly due to payment received in 3Q2017 for advances that were made to the target company of a proposed acquisition, partially offset by S\$0.28 million in advance payment for inventory procurement.

Trade and other payables

Trade and other payables were S\$3.21 million as at 30 April 2017, slightly more than the S\$3.16 million as at 31 January 2017.

Borrowings

The Group's borrowings consist of finance lease obligations and the quarterly decline from S\$1.59 million at 31 January 2017 to S\$1.46 million at 30 April 2017 is due to the instalment payments made during 3Q2017.

REVIEW OF CASH FLOWS

The Group's cash and cash equivalents decreased by S\$0.23 million in 3Q2017 mainly due to the acquisition of plant and equipment and repayment of finance lease liabilities during the current quarter.

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

Despite challenging economic conditions, the Group recorded a profit in the third quarter of FY2017 and for the nine months ending 30 April 2017, following the disposal of certain loss-making subsidiary corporations in the previous financial year and an increase in Printing revenue in this quarter. The Group will continue to take cautious steps to improve the profitability of its core businesses.

The Group has recently completed preparations for sale of a complete suite of smart business and enhanced enterprise IT solutions targeted at increasing the productivity of retail and F&B establishments. In addition, A-Smart Pair (SEA) Pte Ltd which is 80% held by the Group, has been formed for joint venture partnership to sell, lease, service and maintain green technology systems manufactured by Pair International Corp in Southeast Asia. As such, the Board is confident that the Group's restructuring remains relevant for positive contribution in the current financial year.

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 in the 2Q2017 results announcement on 16 March 2017, the proceeds from the Share Placement of 5,712,282 shares on 21 October 2016 were partially utilised as follows:

	Use of Proceeds from Share Placement (S\$'000)
Balance proceeds from the last announced	2,799
<u>Less:</u>	
Investment in newly incorporated subsidiaries	30
General working capital (made up of):	482
▪ Long and outstanding trade and other payables	100
▪ Corporate expenses (legal, professional and compliance fees)	47
▪ Purchase of Plant and equipment	335
Total net proceeds balance from the Placement	2,287

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 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 Director and Chief Executive Officer
14 June 2017