



A-Smart Holdings Ltd.

(Registration No. 199902058Z)

**UNAUDITED RESULTS FOR THE SECOND
QUARTER ENDED 31 JANUARY 2020**

TABLE OF CONTENTS

Item No.	Description	Page No.
1(a)(i)	Income Statement	1
1(a)(ii)	Explanatory Notes to Income Statement	2
1(a)(iii)	Statement of Comprehensive Income	3
1(b)(i)	Statement of Financial Position	4
1(b)(ii)	Group Borrowings	5
1(c)	Statement of Cash Flows	6 - 7
1(d)(i)	Statements of Changes in Equity	8 - 9
1(d)(ii)-(iv)	Share Capital	10
2 & 3	Audit Statement	10
4 & 5	Accounting Policies	11
6	Earnings Per Share	11
7	Net Asset Value Per Share	12
8	Group Performance Review	12 - 14
9 & 10	Prospects	14
11 & 12	Dividend	14 - 15
13	Interest Person Transactions	15
14	Use of proceeds from rights issue and shares placement	15
15	Negative Assurance Confirmation on Interim Financial Results Under Rule 705(4) of the Listing Manual	15
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)	16

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 6 MONTHS ENDED		
		31 Jan 2020 \$'000	31 Jan 2019 \$'000	Increase / (decrease) %	31 Jan 2020 \$'000	31 Jan 2019 \$'000	Increase / (decrease) %
Revenue		1,796	1,722	4.3%	3,593	3,394	5.9%
Other income	1	18	57	(68.4%)	54	92	(41.3%)
Total Revenue		1,814	1,779	2.0%	3,647	3,486	4.6%
Costs and expenses							
Changes in inventories		8	(1)	n.m.	9	32	(71.9%)
Inventories used		(596)	(563)	5.9%	(1,278)	(1,206)	6.0%
Staff costs		(796)	(858)	(7.2%)	(1,599)	(1,691)	5.4%
Depreciation		(85)	(89)	(4.5%)	(169)	(176)	(4.0%)
Foreign currency gain/(loss) -net		(2)	-	n.m.	(9)	(1)	800%
Impairment loss on financial assets	5	-	-	n.m.	-	(18)	n.m.
Other operating expenses	3	(317)	(387)	(18.1%)	(468)	(718)	(34.8%)
Finance costs	2	(14)	(19)	(26.3%)	(23)	(37)	(37.8%)
Share of profit/(loss) of an associated company		16	(13)	223.1%	14	(36)	138.9%
Profit/(loss) before taxation		28	(151)	118.5%	124	(365)	134.0%
Income tax	4	-	-	n.m.	-	-	-
Net Profit/(loss) for the period		28	(151)	118.5%	124	(365)	134.0%
Attributable to:							
Equity holders of the parent		27	(151)	117.9%	68	(365)	118.6%
Non- controlling interests		1	-	100.0%	56	-	n.m.
Net Profit/(loss) for the period		28	(151)	118.5%	124	(365)	134.0%

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		6 MONTHS ENDED	
	31-Jan-20	31-Jan-19	31-Jan-20	31-Jan-19
	\$'000	\$'000	\$'000	\$'000
Government grants	-	12	6	26
Interest income	7	31	30	38
Gain on disposal of plant and equipment	-	-	3	-
Miscellaneous income	11	14	15	28
Total	18	57	54	92

Note 2 Finance costs comprise the following:

	3 MONTHS ENDED		6 MONTHS ENDED	
	31-Jan-20	31-Jan-19	31-Jan-20	31-Jan-19
	\$'000	\$'000	\$'000	\$'000
Finance lease liabilities	(14)	(19)	(23)	(37)
Total	(14)	(19)	(23)	(37)

Note 3 Other operating expenses include the following:

	3 MONTHS ENDED		6 MONTHS ENDED	
	31-Jan-20	31-Jan-19	31-Jan-20	31-Jan-19
	\$'000	\$'000	\$'000	\$'000
Marketing expenses	(21)	(14)	(28)	(32)
Legal professional and compliance expenses	(82)	(109)	(146)	(172)
Operating lease expense - office, factories and warehouses	(124)	(122)	(246)	(244)
Recovery of preliminary expenses of property projects	-	-	137	-

Note 4 Income tax comprises the following:

	3 MONTHS ENDED		6 MONTHS ENDED	
	31-Jan-20	31-Jan-19	31-Jan-20	31-Jan-19
	\$'000	\$'000	\$'000	\$'000
Current tax - prior years	-	-	-	-

Note 5 Impairment loss on financial assets comprises the following:

	3 MONTHS ENDED		6 MONTHS ENDED	
	31-Jan-20	31-Jan-19	31-Jan-20	31-Jan-19
	\$'000	\$'000	\$'000	\$'000
Trade receivables	-	-	-	(18)

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 6 MONTHS ENDED		
	31 Jan 2020 \$'000	31 Jan 2019 \$'000	Increase/ (Decrease) %	31 Jan 2020 \$'000	31 Jan 2019 \$'000	Increase/ (Decrease) %
Net profit/(loss) for the period	28	(151)	118.5%	124	(365)	140.0%
Other comprehensive income / (loss):						
Translation differences relating to financial statements of foreign subsidiary corporations and an associate	(12)	-	n.m.	(38)	16	(337.5%)
Translation differences arising on monetary items forming part of net investments in foreign operations	(1)	-	(100%)	(4)	(21)	(80.9%)
Other comprehensive income/ (loss) for the period	(13)	-	n.m..	(42)	(5)	740.0%
Total comprehensive income/ (loss) for the period	15	(151)	109.9%	82	(370)	122.2%
Total comprehensive income/ (loss) attributable to:						
Equity holders of the parent	14	(151)	109.3%	26	(373)	107.0%
Non-controlling interests	1	-	100%	56	3	1766.7%
Total comprehensive income/ (loss) for the period	15	(151)	109.9%	82	(370)	122.2%

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	
	31 Jan 2020	31 Jul 2019	31 Jan 2020	31 Jul 2019
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Non-current assets				
Plant and equipment	1,475	1,617	160	175
Investments in subsidiary corporations	-	-	6,228	6,228
Investment in an associated company	1,248	1,234	-	-
	2,723	2,851	6,388	6,403
Current assets				
Inventories	489	480	-	-
Development property	3,922	3,659	-	-
Trade receivables	1,112	1,064	10	-
Other receivables	1,509	1,893	640	932
Trade amount due from subsidiary corporations	-	-	552	552
Non-trade amount due from subsidiary corporations	-	-	7,577	6,581
Cash and cash equivalents	4,029	4,910	2,435	3,516
	11,061	12,006	11,214	11,581
Total assets	13,784	14,857	17,602	17,984
Equity attributable to equity holders of the parent				
Share capital	141,665	141,665	141,665	141,665
Other reserves	(100)	(58)	-	-
Accumulated losses	(130,884)	(130,952)	(142,290)	(141,751)
	10,681	10,655	(625)	(86)
Non-controlling interests	(203)	(259)	-	-
Total equity	10,478	10,396	(625)	(86)
Non-current liabilities				
Finance lease liabilities	286	429	55	66
	286	429	55	66
Current liabilities				
Trade and other payables	2,728	3,730	278	415
Trade amount due to subsidiary corporations	-	-	152	152
Non-trade amount due to subsidiary corporations	-	-	17,730	17,415
Finance lease liabilities	271	281	12	22
Current income tax liabilities	21	21	-	-
	3,020	4,032	18,172	18,004
Total liabilities	3,306	4,461	18,227	18,070
Total equity and liabilities	13,784	14,857	17,602	17,984

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 January 2020		As at 31 July 2019	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
271	-	281	-

Amount repayable after one year

As at 31 January 2020		As at 31 July 2019	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
286	-	429	-

Details of any collateral:

Secured borrowings at 31 January 2020 mainly refer to the following:

- a. Finance lease liabilities amounting to S\$0.56 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	
	2nd Quarter Ended		6 Months Ended	
	31 Jan 2020	31 Jan 2019	31 Jan 2020	31 Jan 2019
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit/(loss) before taxation	28	(151)	124	(365)
Adjustments for:				
Allowance for doubtful debts	-	30	-	78
Interest expense	14	19	9	37
Interest income	(7)	(31)	(23)	(38)
Depreciation	85	89	169	176
Gain on disposal of property, plant and equipment	-	-	(3)	-
Share of loss of an associated company	(16)	13	(14)	36
Operating profit/(loss) before working capital changes	104	(31)	262	(76)
Changes in working capital:				
Inventories	(8)	1	(9)	(32)
Development properties	(261)	-	(263)	-
Trade and other receivables	74	200	336	256
Trade and other payables	(579)	(490)	(1,024)	(374)
Cash used in operations	(670)	(320)	(698)	(226)
Income tax paid	-	-	-	-
Cash flows used in operating activities	(670)	(320)	(698)	(226)
Investing activities				
Interest received	7	31	23	38
Purchase of plant and equipment	(13)	(180)	(27)	(185)
Proceed from disposal of plant and equipment	-	-	3	-
Cash flows used in investing activities	(6)	(149)	(1)	(147)
Financing activities				
Interest paid	(14)	(19)	(9)	(37)
Repayment of finance lease liabilities	(95)	(54)	(153)	(172)
Cash flows used in financing activities	(109)	(73)	(162)	(209)
Net decrease in cash and cash equivalents	(785)	(542)	(861)	(582)
Cash and cash equivalents at beginning of the period	4,822	7,192	4,910	7,202
Effects of currency translation on cash and cash equivalents	(8)	-	(20)	30
Cash and cash equivalents at end of the period	4,029	6,650	4,029	6,650

Explanatory notes to the consolidated cash flow statement

Note A. Cash and cash equivalents comprise the following:

	31 Jan 2020	31 Jan 2019
	\$'000	\$'000
Cash at bank and in hand	2,522	2,650
Fixed deposits	1,507	4,000
Cash and cash equivalents in the cash flow statement	4,029	6,650

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 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
At 1 August 2019	141,665	(58)	(130,952)	10,655	(259)	10,396
Total comprehensive income for the period	-	(29)	41	12	55	67
At 31 October 2019	141,665	(87)	(130,911)	10,667	(204)	10,463
Total comprehensive income for the period	-	(13)	27	14	1	15
At 31 January 2020	141,665	(100)	(130,884)	10,681	(203)	10,478

Statement of Changes in Equity for the Company

	Share Capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
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)

	Share Capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
At 1 August 2019	141,665	(141,751)	(86)
Total comprehensive loss for the period	-	(199)	(199)
At 31 October 2019	141,665	(141,950)	(285)
Total comprehensive loss for the period	-	(340)	(340)
At 31 January 2020	141,665	(142,290)	(625)

- 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 second quarter ended 31 January 2020.

As at 31 January 2020, 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 2Q2020, 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 (2Q2019: 36,786,000 warrants).

No share warrants were exercised in 2Q2020 (2Q2019: 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 January 2020 was 128,726,362 (31 July 2019: 128,726,362). There were no treasury shares held by the Company at 31 January 2020.

- 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 modifications or emphasis of a matter)**

Not applicable.

- 3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

- a) Updates on the efforts taken to resolve each outstanding audit issue.
- b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

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 2019.

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 2019, except for the adoption of accounting standards and interpretations applicable for the financial period beginning 1 August 2019.

(a) SFRS(I) 16 – Leases

This standard will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under this standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The adoption does not have a material impact on the financial statements as the existing lease agreements are with remaining lease term of less than 12 months.

(b) SFRS(I) INT 23 – Uncertainty Over Income Tax Treatments

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. The Group does not expect additional tax liability to be recognised arising from the uncertain tax positions on the adoption of the interpretation.

The Group does not expect any significant financial impact on the financial statements from the adoption of these SFRS(I)s.

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			
	2nd Quarter (3 Months)		Six Months (6 Months)	
	31 Jan 2020	31 Jan 2019	31 Jan 2020	31 Jan 2019
6(a) Based on the weighted average number of ordinary shares on issue (in cents)	0.02	(0.13)	0.05	(0.30)
Weighted average number of ordinary shares (in million)	128.73	119.78	128.73	119.78
6(b) On a fully diluted basis (in cents)	0.02	*(0.13)	0.04	*(0.30)
Weighted average number of ordinary shares (in million)	156.56	119.78	156.56	119.78

* As loss was recorded for the previous corresponding quarter ended 31 January 2019, the dilutive potential shares from warrants outstanding at the end of the quarter were anti-dilutive and hence no changes were made to the dilutive loss per share for 2019 comparative figures.

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 Jan 2020	31 July 2019	31 Jan 2020	31 July 2019
Net asset value per ordinary share based on issued share capital at the end of the financial period / year (in cents)	8.14	8.08	(0.48)	(0.07)

Net asset value per ordinary share as at 31 January 2020 is calculated based on the existing issued share capital of 128,726,362 ordinary shares outstanding as at 31 January 2020 (31 July 2019: 128,726,362).

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	2nd Quarter ended (3 Months)			
	31 Jan 2020	31 Jan 2019	+ / (-)	+ / (-)
	S\$'mil	S\$'mil	S\$'mil	%
Printing	1.78	1.70	0.08	4.7%
Others – Smart Technology	0.02	0.02	-	0%
Total revenue	1.80	1.72	0.08	4.7%

The Group recorded revenue of S\$1.78 million from its Print and Media segment in 2Q2020, 4.7% or S\$0.08 million higher than that of 2Q2019. This was mainly due to increased orders by recurring corporate clients for commercial print products in 2Q2020.

The Smart Technologies segment did not make any significant contribution to the Group's revenue in 2Q2020.

Inventories used and changes in inventories

Total inventories used and changes in inventories in 2Q2020 was S\$0.59 million, a 4.3% increase compared with 2Q2019, which corresponds to the higher sales in 2Q2020.

Other income

Other income for 2Q2020 was S\$39,000 lower compared to 2Q2019 mainly due to lower bank interest income and lower government grants received in 2Q2020.

Staff costs

Staff costs for 2Q2020 was S\$0.80 million, 7.2% lower than the S\$0.86 million in 2Q2019, as the Group continues to streamline its operations.

Depreciation

Depreciation charges for 2Q2020 were 4.5% lower compared to 2Q2019 as certain equipment were fully depreciated in 1Q2020.

Impairment of financial assets

There was no impairment of financial assets arising from the evaluation of the Group's expected credit loss on its trade receivables in 2Q2020.

Other operating expenses

Other operating expenses were 18.1% lower in 2Q2020 compared to 2Q2019, mainly due to absence of legal and professional fees that were incurred for projects in the previous corresponding quarter 2Q2019 and lower operating expenses for the Group's printing plant in 2Q2020 as it continues to streamline its operations.

Share of profit/(loss) of an associated company

The Group's equity accounted for the results of the associated company, Sheng Siong (China) Supermarket Co. Ltd, which currently operates two supermarket stores in Kunming, China. The share of 10% of the associated company's profit was S\$16,000 compared to the loss of S\$13,000 in 2Q2019. Both stores were profitable in 2Q2020.

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 decreased by \$0.07 million in 2Q2020, mainly due to the depreciation charge in 2Q2020.

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 ("Sheng Siong China"), and the increase in its carrying value in 2Q2020 mainly due to the share of profits recorded in 2Q2020.

Inventories

There was no significant movement in the accounts for the Group's during 2Q2020.

Development property

The Group's property development projects in Timor-Leste, reflected as Development Property in the Group's statement of financial position as at 31 January 2020, consists of property under development of S\$3.26 million (31 October 2019: S\$3.29 million) and land held for future development of S\$0.66 million (31 October 2019: S\$0.37 million). The increase in land held for future development was mainly due to the payment made for the land cost of Timor City Square S.A..

Trade and other receivables

Trade receivables decreased by S\$0.05 million in 2Q2020 mainly due to early repayment by customers

ahead of the Chinese New Year.

There were no significant movements in Other Receivables in 2Q2020 which stands at S\$1.51 million as at 31 January 2020.

Trade and other payables

Trade and other payables decreased from S\$3.30 million as at 31 October 2019 to S\$2.73 million as at 31 January 2020 mainly due to the payout of accrued staff bonus during the current quarter.

Borrowings

The Group's borrowings consist of finance lease obligations and the quarterly decline from 31 October 2019 to 31 January 2020 is due to the instalment payments made during 2Q2020.

REVIEW OF CASH FLOWS

The Group's cash and cash equivalents decreased by S\$0.79 million in 2Q2020 mainly due to the payment for development property (land held for future development), repayment of finance lease liabilities and settlement of the Group's other payables, offset by receipts from sundry debtors during the current quarter.

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

Print and media

The Group expects further headwinds for its Print and Media segment because of the Covid-19 outbreak. Printing demand for clients from the retail, hospitality and tourism related industries are expected to decline in the next 2 quarters. The Group will be adopting appropriate measures to mitigate the overall effect.

Smart technologies

Following years of Research & development, the Group has successfully launched its very own automated food waste digester systems which convert food waste into non-portable water and fertilizer. The Group is proud to announce that as a result of the extensive trial-runs and tests undergone by the systems in the market, they have achieved the strict requirements set by the National Environment Agency ("NEA") and are now listed as part of the food waste solutions endorsed by NEA on its official website.

Consequently, the Group has been receiving more sales, lead enquiries and positive feedback from clients and prospects. Coupled with the Zero-Waste initiative of the Singapore government, grants are available from NEA for building owners who acquire the food waste digester systems.

Property development

The Group's maiden mixed property development project, Timor Marina Square ("TMS"), in Timor-Leste is progressing well as planned.

Owing to the Covid-19 precautionary measures put in place by the Timor-Leste authorities, such as travel restrictions for visitors with travel history to countries severely affected by the Covid-19 outbreak, the groundbreaking ceremony for TMS would be adjusted accordingly. The architectural/construction drawings

have been submitted to the authorities for approval and the Group foresee no hiccups in obtaining it.

Preparations for sales and marketing of the TMS have begun; the Group will commence sales for TMS in Singapore as scheduled and the early signs of interests have indeed been very encouraging. The Group will subsequently move its sales campaign to Taiwan and China markets.

Long-term investments – Associated Company

The Group's associated company, Sheng Siong China, which now operates two Sheng Siong supermarket stores in Kunming, China, would be maintaining the strategy of gradually expanding the chain of supermarket stores, while promoting the "Sheng Siong" brand across the entire China market.

Revenue continues to grow steadily for both stores and consumer awareness for the Sheng Siong brand in Kunming has also improved significantly.

Summary

The Board remains 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) Record 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 in order to conserve cash for future expansion of the Group's businesses.

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 13 of the Company’s results announcement for 1Q2020, 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	818
Less utilisation:	
<u>Investment</u>	
• Development property – land cost	(261)
Total net proceeds balance from the Placement	557

- a) 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 31 January 2020 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 March 2020