



**A-Smart Holdings Ltd.**

(Registration No. 199902058Z)

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**UNAUDITED RESULTS FOR THE  
HALF YEAR ENDED 31 JANUARY 2021**

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**PART I – INFORMATION REQUIRED FOR 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 6 MONTHS ENDED		Increase / (decrease) %
		31 Jan 2021 \$'000	31 Jan 2020 \$'000	
Revenue		3,496	3,593	(2.7%)
Other income	1	208	54	285.2%
<b>Total Revenue</b>		<b>3,704</b>	<b>3,647</b>	<b>1.6%</b>
<b>Costs and expenses</b>				
Changes in inventories		(90)	9	(1,110.0%)
Inventories used		(1,642)	(1,278)	28.5%
Staff costs		(1,458)	(1,599)	(8.8%)
Depreciation		(377)	(169)	123.1%
Foreign currency loss -net		(1)	(9)	(88.9%)
Impairment loss on financial assets	5	(20)	-	n.m.
Other operating expenses	3	(325)	(468)	(30.6%)
Finance costs	2	(26)	(23)	13.0%
Share of profit of an associated company		23	14	64.3%
<b>Profit/(loss) before taxation</b>		<b>(212)</b>	<b>124</b>	<b>(271.0%)</b>
Income tax	4	-	-	n.m.
<b>Net Profit/(loss) for the period</b>		<b>(212)</b>	<b>124</b>	<b>(271.0%)</b>
<b>Attributable to:</b>				
Equity holders of the parent		(220)	68	(423.5%)
Non- controlling interests		8	56	(85.7%)
		<b>(212)</b>	<b>124</b>	<b>(271.0%)</b>

*n.m. – not meaningful*

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

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

	<b>6 MONTHS ENDED</b>	
	<b>31-Jan-21</b>	<b>31-Jan-20</b>
	<b>\$'000</b>	<b>\$'000</b>
Government grants	82	6
Interest income	39	30
Gain on disposal of plant and equipment	75	3
Miscellaneous income	12	15
<b>Total</b>	<b>208</b>	<b>54</b>

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

	<b>6 MONTHS ENDED</b>	
	<b>31-Jan-21</b>	<b>31-Jan-20</b>
	<b>\$'000</b>	<b>\$'000</b>
Finance lease liabilities	(26)	(23)
<b>Total</b>	<b>(26)</b>	<b>(23)</b>

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

	<b>6 MONTHS ENDED</b>	
	<b>31-Jan-21</b>	<b>31-Jan-20</b>
	<b>\$'000</b>	<b>\$'000</b>
Marketing expenses	(91)	(28)
Legal professional and compliance expenses	(86)	(146)
Operating lease expense - office, factories and warehouses	(44)	(246)
Recovery of preliminary expenses of property projects	-	137

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

There were no taxation expense for 1HFY2021 and 1HFY2020 as the Group has available tax losses accumulated from previous years that can be set off against the taxable profit of certain subsidiary corporations in the current financial period.

**Note 5** Impairment loss on financial assets comprises the following:

	<b>6 MONTHS ENDED</b>	
	<b>31-Jan-21</b>	<b>31-Jan-20</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade receivables	(20)	-

**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**

	<b>GROUP 6 MONTHS ENDED</b>		
	<b>31 Jan 2021</b>	31 Jan 2020	<b>Increase/ (Decrease)</b>
	<u>\$'000</u>	<u>\$'000</u>	%
<b>Net (loss)/profit for the period</b>	<b>(212)</b>	124	(271.0%)
<b>Other comprehensive (loss)/income:</b>			
Translation differences relating to financial statements of foreign subsidiary corporations and an associate	<b>(39)</b>	(38)	2.6%
Translation differences arising on monetary items forming part of net investments in foreign operations (*)	<b>(171)</b>	(4)	4175.0%
<b>Other comprehensive (loss)/income for the period</b>	<b>(210)</b>	(42)	400.0%
<b>Total comprehensive (loss)/income for the period</b>	<b>(422)</b>	82	(614.6%)
<b>Total comprehensive (loss)/income attributable to:</b>			
Equity holders of the parent	<b>(430)</b>	26	(1753.8%)
Non-controlling interests	<b>8</b>	56	(85.7%)
<b>Total comprehensive (loss)/income for the period</b>	<b>(422)</b>	82	(614.6%)

\* In 1HFY2021, \$0.17 million mainly relates to the exchange translation loss of foreign operations' net assets due to the depreciation of USD against SGD on 31 January 2021 compared with the previous financial year end.

*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**

	<b>Group</b>		<b>Company</b>	
	<b>31 Jan 2021</b>	<b>31 Jul 2020</b>	<b>31 Jan 2021</b>	<b>31 Jul 2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current assets</b>				
Plant and equipment	1,357	1,359	290	145
Right-of-use assets	881	1,067	-	-
Investments in subsidiary corporations	-	-	6,228	6,228
Investment in an associated company	1,397	1,348	-	-
	<b>3,635</b>	<b>3,774</b>	<b>6,518</b>	<b>6,373</b>
<b>Current assets</b>				
Inventories	416	506	-	-
Development properties - property under construction	3,813	3,830	-	-
Development properties – land held for future development	2,912	2,818	-	-
Trade receivables	1,078	683	-	-
Other receivables	1,857	1,645	706	650
Financial asset – at FVPL	22	22	22	22
Trade amount due from subsidiary corporations	-	-	552	552
Non-trade amount due from subsidiary corporations	-	-	8,400	8,107
Cash and cash equivalents	8,076	8,884	6,424	7,429
	<b>18,174</b>	<b>18,388</b>	<b>16,104</b>	<b>16,760</b>
<b>Total assets</b>	<b>21,809</b>	<b>22,162</b>	<b>22,622</b>	<b>23,133</b>
<b>Equity attributable to equity holders of the parent</b>				
Share capital	147,360	147,360	147,360	147,360
Other reserves	(199)	1	25	15
Accumulated losses	(131,031)	(130,811)	(143,139)	(142,654)
	<b>16,130</b>	<b>16,550</b>	<b>4,246</b>	<b>4,721</b>
<b>Non-controlling interests</b>	<b>176</b>	<b>168</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>16,306</b>	<b>16,718</b>	<b>4,246</b>	<b>4,721</b>
<b>Non-current liabilities</b>				
Lease liabilities	2,784	2,952	49	56
Lease liabilities	30	30	-	-
	<b>2,814</b>	<b>2,982</b>	<b>49</b>	<b>56</b>
<b>Current liabilities</b>				
Trade and other payables	2,066	1,780	168	229
Trade amount due to subsidiary corporations	-	-	183	152
Non-trade amount due to subsidiary corporations	-	-	17,963	17,963
Lease liabilities	602	661	12	12
Current income tax liabilities	21	21	-	-
	<b>2,689</b>	<b>2,462</b>	<b>18,326</b>	<b>18,356</b>
<b>Total liabilities</b>	<b>5,503</b>	<b>5,444</b>	<b>18,376</b>	<b>18,412</b>
<b>Total equity and liabilities</b>	<b>21,809</b>	<b>22,162</b>	<b>22,622</b>	<b>23,133</b>

**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 2021		As at 31 July 2020	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>196</b>	<b>406</b>	255	406

Amount repayable after one year

As at 31 January 2021		As at 31 July 2020	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>2,332</b>	<b>482</b>	2,277	675

Details of any collateral:

Secured borrowings at 31 January 2021 mainly refer to the following:

- a. Finance lease liabilities amounting to S\$0.29 million that are secured by the respective motor vehicles and machinery purchased under finance leases; and
- b. Lease rentals of S\$2.24 million are secured by development properties – land held for future development, that has a carrying value of S\$0.67 million as at 31 January 2021.

**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	
	6 months Ended	
	31 Jan 2021	31 Jan 2020
	\$'000	\$'000
Profit/(loss) before taxation	(212)	124
<b>Adjustments for:</b>		
Impairment loss on financial assets	20	-
Interest expense	27	9
Interest income	(39)	(23)
Depreciation	377	169
Gain on disposal of property, plant and equipment	(75)	(3)
Employee share option expense	10	-
Share of results of an associated company	(23)	(14)
	<b>85</b>	<b>262</b>
<b>Changes in working capital:</b>		
Inventories	90	(9)
Development properties	(106)	(263)
Trade and other receivables	(601)	336
Trade and other payables	306	(1,024)
Cash used in operations	(226)	(698)
Income tax paid	-	-
<b>Cash flows used in operating activities</b>	<b>(226)</b>	<b>(698)</b>
<b>Investing activities</b>		
Interest received	13	23
Purchase of plant and equipment	(189)	(27)
Proceeds from disposal of plant and equipment	75	3
<b>Cash flows used in investing activities</b>	<b>(101)</b>	<b>(1)</b>
<b>Financing activities</b>		
Interest paid	(27)	(9)
Principal repayment of lease liabilities	(373)	(153)
<b>Cash flows used in financing activities</b>	<b>(400)</b>	<b>(162)</b>
Net decrease in cash and cash equivalents	(727)	(861)
Cash and cash equivalents at beginning of the period	8,884	4,910
Effects of currency translation on cash and cash equivalents	(81)	(20)
<b>Cash and cash equivalents at end of the period</b>	<b>8,076</b>	<b>4,029</b>

Explanatory notes to the consolidated cash flow statement

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

	<b>31 Jan 2021</b>	<b>31 Jan 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and in hand	<b>3,020</b>	<b>2,522</b>
Fixed deposits	<b>5,056</b>	<b>1,507</b>
Cash and cash equivalents in the cash flow statement	<b>8,076</b>	<b>4,029</b>



**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	Share option reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
<b>At 1 January 2019</b>	<b>141,665</b>	<b>(58)</b>		<b>(130,952)</b>	<b>10,655</b>	<b>(259)</b>	<b>10,396</b>
<b>Total comprehensive income for the financial period</b>							
<i>Profit for the financial period</i>	-	-	-	68	68	56	124
<i>Other comprehensive income</i>							
Translation differences arising from translation of foreign subsidiaries	-	(42)	-	-	(42)	-	(42)
<b>Total other comprehensive income</b>	<b>-</b>	<b>(42)</b>	<b>-</b>	<b>-</b>	<b>(42)</b>	<b>-</b>	<b>(42)</b>
<b>Total comprehensive income for the financial period</b>	<b>-</b>	<b>(42)</b>	<b>-</b>	<b>68</b>	<b>26</b>	<b>56</b>	<b>82</b>
<b>At 31 January 2020</b>	<b>141,665</b>	<b>(100)</b>	<b>-</b>	<b>(130,884)</b>	<b>10,681</b>	<b>(203)</b>	<b>10,478</b>
	Share Capital S\$'000	Currency translation reserve S\$'000	Share option reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
<b>At 1 August 2020</b>	<b>147,360</b>	<b>(14)</b>	<b>15</b>	<b>(130,811)</b>	<b>16,550</b>	<b>168</b>	<b>16,718</b>
<b>Total comprehensive income for the financial period</b>							
<i>Loss for the financial period</i>	-	-	-	(220)	(220)	8	(212)
<i>Other comprehensive income</i>							
Translation differences arising from translation of foreign subsidiaries	-	(210)	-	-	(210)	-	(210)
<b>Total other comprehensive income</b>	<b>-</b>	<b>(210)</b>	<b>-</b>	<b>-</b>	<b>(210)</b>	<b>-</b>	<b>(210)</b>
<b>Total comprehensive income for the financial period</b>	<b>-</b>	<b>(210)</b>	<b>-</b>	<b>(220)</b>	<b>(430)</b>	<b>8</b>	<b>(422)</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>							
Employee share option scheme – value of employee services	-	-	10	-	10	-	10
<b>Total contributions by owners</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>10</b>
<b>At 31 January 2021</b>	<b>147,360</b>	<b>(224)</b>	<b>25</b>	<b>(131,031)</b>	<b>16,130</b>	<b>176</b>	<b>16,306</b>

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

	Share Capital S\$'000	Accumulated losses S\$'000	Share option reserve S\$'000	Total equity S\$'000
<b>At 1 August 2019</b>	<b>141,665</b>	<b>(141,751)</b>	-	<b>(86)</b>
Total comprehensive loss for the period	-	(539)	-	(539)
<b>At 31 January 2020</b>	<b>141,665</b>	<b>(142,290)</b>	-	<b>(625)</b>

	Share Capital S\$'000	Accumulated losses S\$'000	Share option reserve S\$'000	Total equity S\$'000
<b>At 1 August 2020</b>	<b>147,360</b>	<b>(142,569)</b>	<b>15</b>	<b>4,806</b>
Total comprehensive loss for the period	-	(570)	-	(570)
<b>Transactions with owners of the Company, recognised directly in equity</b>				
Employee share option scheme – value of employee services	-	-	10	10
<b>At 31 January 2021</b>	<b>147,370</b>	<b>(143,139)</b>	<b>25</b>	<b>4,246</b>

- 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 first half ended 31 January 2021.

As at 31 January 2021, there were no subsidiary holdings.

#### **Share options**

At 31 January 2021, there were 1,640,000 share options that are exercisable between 17 February 2021 and 16 February 2025 into 1,640,000 ordinary shares at the exercise price of S\$0.356 per share option (31 January 2020: Nil).

#### **Warrants**

At 31 January 2021, there were no outstanding share warrants (31 January 2020: 27,836,000 share warrants that can be converted into 27,836,000 ordinary shares at the exercise price of S\$0.28 per new share).

- 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 at 31 January 2021 was 149,062,362 (31 July 2019: 128,726,362).

There were no treasury shares held by the Company at 31 January 2021.

- 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 at 31 July 2020.

**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 2020, except for the adoption of accounting standards and interpretations applicable for the financial period beginning 1 August 2020 as follows:

- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 Definition of Material
- Amendments to SFRS(I) 3 Definition of Business
- Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 Interest Rate Benchmark Reform
- Amendments to References to the Conceptual Framework in SFRS(I) Standards

**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	
	Six Months (6 Months)	
	31 Jan 2021	31 Jan 2020
6(a) Based on the weighted average number of ordinary shares on issue (in cents)	(0.14)	0.05
Weighted average number of ordinary shares (in million)	149.06	128.73
6(b) On a fully diluted basis (in cents)	(0.14)	0.04
Weighted average number of ordinary shares (in million)	150.70	156.56

\* As loss was recorded for the six months ended 31 January 2021 (1HFY2021), the dilutive potential shares from share options outstanding at the end of 1HFY2021 were anti-dilutive and hence no changes were made to the dilutive loss per share for 1HFY2021.

**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 2021	31 July 2020	31 Jan 2021	31 July 2020
Net asset value per ordinary share based on issued share capital at the end of the financial period / year (in cents)	10.94	11.22	2.85	3.17

Net asset value per ordinary share at 31 January 2020 is calculated based on the existing issued share capital of 149,062,362 ordinary shares outstanding at 31 January 2021 (31 July 2020: 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**

<b>Business Activity</b>	<b>First half ended (6 Months)</b>			
	<b>31 Jan 2021</b>	<b>31 Jan 2020</b>	<b>+ / (-)</b>	<b>+ / (-)</b>
	<b>S\$'mil</b>	<b>S\$'mil</b>	<b>S\$'mil</b>	<b>%</b>
Printing and media	2.89	3.57	(0.68)	(19.1%)
Smart Technology	0.61	0.02	0.59	n.m.
<b>Total revenue</b>	<b>3.50</b>	<b>3.59</b>	<b>(0.09)</b>	<b>(2.5%)</b>

n.m. – not meaningful

The Group recorded revenue of S\$3.50 million 1HFY2021, 2.5% or S\$0.09 million lower than that of 1HFY2020.

Printing and media fell by 19.1% in 1HFY2021 compared with 1HFY2020, mainly due to the slowdown of the Singapore economy, and in particular lower demand from printing clients that are reliant on the tourism sector, which are adversely affected by the Covid-19 pandemic.

The A-smart food waste digester systems of the Smart Technologies segment made its maiden sales in 1HFY2021. The Group received endorsement from various Singapore authorities as one of the few Government-approved vendors for the Singapore 3R initiative (reduce, reuse and recycle), which allowed the Group to clinch several tenders shortly after its product launch.

### **Inventories used and changes in inventories**

Total inventories used and changes in inventories in 1HFY2021 was S\$1.73 million, a 36.5% increase compared with 1HFY2020, mainly due to research and development and manufacturing costs for the food waste digesters that were absent in 1HFY2020.

### **Other income**

Other income for 1HFY2021 was S\$0.21 million, 285% higher than that recorded in 1HFY2020, mainly due to higher government grants and a gain on disposal of plant and equipment in 1HFY2021.

### **Staff costs**

Staff costs for 1HFY2021 was S\$1.46 million, 8.8% lower than the S\$1.60 million in 1HFY2020, as the Group continues to streamline its operations, reducing manpower headcount in the Printing segment in tandem with the decline in sales orders.

### **Depreciation**

Depreciation charges for 1HFY2021 were 123.1% higher compared to 1HFY2020. The increase in depreciation expense is mainly due to the depreciation charge for leased premises that were capitalised in the second half of the previous financial year, in accordance with the change in accounting standard for leases.

### **Impairment of financial assets**

There was no significant impairment of financial assets arising from the evaluation of the Group's expected credit loss on its trade receivables, except for a S\$20,000 impairment made in 1HFY2021.

### **Other operating expenses**

Other operating expenses were 30.6% lower in 1HFY2021 compared to 1HFY2020, mainly due to the absence of lease rentals as leased premises were previously capitalised in 2HFY2020 and are depreciated over the premises' lease term. The effect of the lower lease rentals was partially offset by higher marketing expense in 1HFY2021. The Group had organized a public event, the Festival of Lights 2020, in 1HFY2021 and the total gate receipts of approximately S\$82,000 ("marketing expense") were donated to the President's Challenge 2020, as part of the Group's Corporate Social Responsibility ("CSR") efforts.

### **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\$23,000 compared to the profit of S\$14,000 in 1HFY2020. Both stores were profitable in 1HFY2021 and in 1HFY2020.

### **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**

There was no significant variance in plant and equipment in the first half of FY2021 as purchases of plant and equipment were offset by the depreciation charge during the period.

### **Right-of-use assets**

Right-of-use assets declined by S\$0.19 million in 1HFY2021, due to the depreciation charge during this period.

### **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 1HFY2021 was mainly due to the share of profits recorded in 1HFY2021 as well as foreign exchange gain arising on translating the share of the associate's reserves that were denominated in CNY.

### **Inventories**

The Group's inventory declined by S\$0.09 million in 1HFY2021, mainly due to the sale of food waste digesters that were purchased in the previous financial year.

### **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 2021, consists of property under development of S\$3.81 million (31 July 2020: S\$3.83 million) and land held for future development of S\$2.91 million (31 July 2020: S\$2.82 million). Construction contract costs that are incurred for the property development in 1HFY2021 were capitalised to Development Property.

### **Trade and other receivables**

Trade receivables increased by S\$0.4 million in 1HFY2021 mainly due to progress payment due from sale of the Group's food waste digester systems.

Other Receivables increased by S\$0.21 million in 1HFY2021 mainly due to advanced payment to suppliers.

### **Trade and other payables**

Trade and other payables increased by S\$0.29 million in 1HFY2021 mainly because of the increase in retention monies due to suppliers for manufacturing of the food waste digester systems.

### **Borrowings**

The decline in the Group's lease obligations in 1HFY2021 was due to the instalment payments made during the period.

### **REVIEW OF CASH FLOWS**

The Group's cash and cash equivalents decreased by S\$0.73 million in 1HFY2021.

The decrease in cash and cash equivalents in 1HFY2021 was mainly due to S\$0.23 million used in operating activities, S\$0.19 million used for the purchase of plant and equipment and S\$0.4 million used for repaying lease liabilities including interest.

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. We expect to continue to see weakness in Print demand from the retail, hospitality and tourism related clients until our borders are substantially opened and this is dependent on how soon the vaccination program can be administered by the authorities locally and regionally. The Group will continue to implement the appropriate measures to mitigate the overall effect, such as allocating idle factory capacity to manufacture lower margin but higher volume commercial products such as packaging and publications.

#### **Smart technologies**

Towards the end of the last financial year, the Group has, after years of research and development, successfully launched its very own automated food waste digester systems which convert food waste into non-portable water and organic compost. Having complied with the strict requirements set by the National Environment Agency ("NEA"), the Group carried out extensive trial-runs and tests on the systems in the market for several years and is now one of the few food waste solutions endorsed by NEA on its official website. 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.

The Group has already recorded its maiden sales in the current financial period and continues to maintain a healthy pipeline in sales, as well as increased enquiries and positive feedback from clients and prospects. The Group is currently contending for several tenders from large organisations and we are confident these will be translated into sales over the next twelve months.

#### Property development

Construction for the Group's maiden mixed property development project, Timor Marina Square ("TMS"), in Timor-Leste has been delayed as a result of the Covid-19 precautionary measures put in place by the Timor-Leste authorities, including the travel restrictions for all incoming visitors. As a result, 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 soon as overseas travel can resume. The Group has received early signs of interests from many prospective investors, including those seeking to make block purchase, and these have indeed been very encouraging. However, the planned visit by these investors to Timor-Leste to view the site have been put on hold due to the Covid-19 travel restrictions. Where necessary, the Group will subsequently also extend its sales campaign to Hong Kong 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) 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 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 shares issuance**

- a) Further to the disclosure on Use of Proceeds in page 33 of the Company’s Annual Report for FY2020, the Company wishes to update the shareholders that the total net proceeds of S\$8,200,080 raised from the issuance of a total of 29,286,000 shares (“**Shares Issuance**”) pursuant to the exercise of 29,386,000 Share Warrants on 15 February 2019 (8,950,000 Share Warrants) and 20 July 2020 (20,336,000 Share Warrants) respectively, were partially utilised as follows:

	<b>Use of Proceeds from Share Placement (S\$'000)</b>
Proceeds from Shares Issuance	<b>8,200</b>
<b>Less utilisation:</b>	
<u>Investment</u>	
• Development property – Construction contract costs	<b>(106)</b>
• Purchase of plant and equipment	<b>(166)</b>
• Working capital loan to subsidiary for manufacturing of food waste digesters system	<b>(300)</b>
<b>Total net proceeds balance from the Shares Issuance</b>	<b>7,439</b>

**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 2021 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  
15 March 2021