



## A-Smart Holdings Ltd.

(Registration No. 199902058Z)

### UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 APRIL 2018

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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 2018	30 Apr 2017	Increase / (decrease)	30 Apr 2018	30 Apr 2017	Increase / (decrease)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		1,826	2,050	(10.9%)	5,354	6,036	(11.3%)
Other income	1	126	20	530.0%	165	101	63.4%
<b>Total Revenue</b>		<b>1,952</b>	<b>2,070</b>	<b>(5.7%)</b>	<b>5,519</b>	<b>6,137</b>	<b>(10.1%)</b>
<b>Costs and expenses</b>							
Changes in inventories of raw materials and consumables		76	22	245.5%	99	55	80.0%
Raw materials and consumables used		(639)	(691)	(7.5%)	(1,689)	(1,986)	(15.0%)
Staff costs		(900)	(913)	(1.4%)	(2,822)	(2,679)	5.3%
Depreciation		(85)	(78)	9.0%	(232)	(235)	(1.3%)
Foreign currency gain/(loss)		-	11	(100.0%)	(1)	3	(133.3%)
Other operating expenses	3	(350)	(365)	(4.1%)	(1,165)	(1,156)	0.8%
Finance costs	2	(18)	(16)	12.5%	(49)	(47)	4.3%
<b>Profit/(Loss) before taxation</b>		<b>36</b>	<b>40</b>	<b>(10.0%)</b>	<b>(340)</b>	<b>92</b>	<b>(469.6%)</b>
Income tax credit	4	5	4	N.M.	2	-	100%
<b>Net profit/(loss) for the period</b>		<b>41</b>	<b>44</b>	<b>(6.8%)</b>	<b>(338)</b>	<b>92</b>	<b>(467.4%)</b>
<b>Attributable to:</b>							
Equity holders of the parent		39	41	(4.9%)	(339)	91	(472.5%)
Non- controlling interests		2	3	(33.3%)	1	1	N.M.
<b>Net profit/(loss) for the period</b>		<b>41</b>	<b>44</b>	<b>(6.8%)</b>	<b>(338)</b>	<b>92</b>	<b>(467.4%)</b>

N.M. : Not meaningful

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

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

	<b>3 MONTHS ENDED</b>		<b>9 MONTHS ENDED</b>	
	<b>30-Apr-18</b>	<b>30-Apr-17</b>	<b>30-Apr-18</b>	<b>30-Apr-17</b>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Bad debts recovered	-	-	-	5
Rental income	-	-	-	7
Government grant	121	20	146	47
Miscellaneous income	5	-	19	42
<b>Total</b>	<b>126</b>	<b>20</b>	<b>165</b>	<b>101</b>

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

	<b>3 MONTHS ENDED</b>		<b>9 MONTHS ENDED</b>	
	<b>30-Apr-18</b>	<b>30-Apr-17</b>	<b>30-Apr-18</b>	<b>30-Apr-17</b>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Hire purchase interest	(18)	(16)	(49)	(47)
<b>Total</b>	<b>(18)</b>	<b>(16)</b>	<b>(49)</b>	<b>(47)</b>

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

	<b>3 MONTHS ENDED</b>		<b>9 MONTHS ENDED</b>	
	<b>30-Apr-18</b>	<b>30-Apr-17</b>	<b>30-Apr-18</b>	<b>30-Apr-17</b>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Marketing expenses	(9)	(11)	(31)	(65)
Legal and professional fees	(37)	(26)	(109)	(198)
Operating lease expense - office factories and warehouses	(142)	(152)	(447)	(464)

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

	<b>3 MONTHS ENDED</b>		<b>9 MONTHS ENDED</b>	
	<b>30-Apr-18</b>	<b>30-Apr-17</b>	<b>30-Apr-18</b>	<b>30-Apr-17</b>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Current tax - prior years	5	4	2	-

**1(a)(iii) A Statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	GROUP 3 MONTHS ENDED			GROUP 9 MONTHS ENDED		
	30 Apr 2018	30 Apr 2017	Increase/ (Decrease)	30 Apr 2018	30 Apr 2017	Increase/ (Decrease)
	<u>\$'000</u>	<u>\$'000</u>	%	<u>\$'000</u>	<u>\$'000</u>	%
<b>Net profit/ (loss) for the period from continuing operations</b>	<b>41</b>	<b>41</b>	N.M.	<b>(338)</b>	<b>91</b>	<b>(471.4%)</b>
<b>Other comprehensive income / (loss):</b>						
Translation differences relating to financial statements of foreign subsidiary corporations	<b>1</b>	<b>12</b>	(91.7%)	<b>(8)</b>	<b>4</b>	(300.0%)
<b>Other comprehensive income/ (loss) for the period</b>	<b>1</b>	<b>12</b>	(91.7%)	<b>(8)</b>	<b>4</b>	(300.0%)
<b>Total comprehensive income/ (loss) for the period</b>	<b>42</b>	<b>53</b>	(20.8%)	<b>(346)</b>	<b>95</b>	(464.2%)
<b>Total comprehensive income/ (loss) attributable to:</b>						
Equity holders of the parent	<b>41</b>	<b>53</b>	(22.6%)	<b>(336)</b>	<b>64</b>	(625.0%)
Non-controlling interests	<b>1</b>	<b>-</b>	100%	<b>(10)</b>	<b>31</b>	(132.3%)
<b>Total comprehensive income/ (loss) for the period</b>	<b>42</b>	<b>53</b>	(20.8%)	<b>(346)</b>	<b>95</b>	(464.2%)

**(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>30 Apr 2018</b>	<b>31 Jul 2017</b>	<b>30 Apr 2018</b>	<b>31 Jul 2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current assets</b>				
Plant and equipment	1,802	1,814	87	124
Investments in subsidiary corporations	-	-	6,210	6,010
Investment in associated company	1,377	1,377	-	-
	<b>3,179</b>	<b>3,191</b>	<b>6,297</b>	<b>6,134</b>
<b>Current assets</b>				
Inventories	594	495	55	278
Trade receivables	1,483	1,090	150	-
Other receivables	1,881	1,928	1,352	1,527
Trade amount due from subsidiary corporations	-	-	312	-
Non-trade amount due from subsidiary corporations	-	-	3,708	3,717
Cash and cash equivalents	7,615	3,665	5,995	2,071
	<b>11,573</b>	<b>7,178</b>	<b>11,572</b>	<b>7,593</b>
<b>Total assets</b>	<b>14,752</b>	<b>10,369</b>	<b>17,869</b>	<b>13,727</b>
<b>Equity attributable to equity holders of the parent</b>				
Share capital	139,179	134,220	139,179	134,220
Other reserves	(82)	(85)	-	-
Accumulated losses	(128,547)	(128,208)	(139,265)	(138,162)
	<b>10,550</b>	<b>5,927</b>	<b>(86)</b>	<b>(3,942)</b>
<b>Non-controlling interests</b>	<b>105</b>	<b>115</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>10,655</b>	<b>6,042</b>	<b>(86)</b>	<b>(3,942)</b>
<b>Non-current liabilities</b>				
Finance lease liabilities	658	869	18	42
	<b>658</b>	<b>869</b>	<b>18</b>	<b>42</b>
<b>Current liabilities</b>				
Trade and other payables	2,936	2,914	783	732
Trade amount due to subsidiary corporations	-	-	113	59
Non-trade amount due to subsidiary corporations	-	-	17,008	16,803
Finance lease liabilities	482	522	33	33
Current income tax liabilities	21	22	-	-
	<b>3,439</b>	<b>3,458</b>	<b>17,937</b>	<b>17,627</b>
<b>Total liabilities</b>	<b>4,097</b>	<b>4,327</b>	<b>17,955</b>	<b>17,669</b>
<b>Total equity and liabilities</b>	<b>14,752</b>	<b>10,369</b>	<b>17,869</b>	<b>13,727</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 30 April 2018		As at 30 April 2017	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
482	-	512	-

Amount repayable after one year

As at 30 April 2018		As at 30 April 2017	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
658	-	947	-

Details of any collateral:

Secured borrowings at 30 April 2018 mainly refer to the following:

- a. Finance lease liabilities amounting to S\$1.14 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**

	Group		Group	
	3rd Quarter Ended		9 Months Ended	
	30 Apr 2018	30 Apr 2017	30 Apr 2018	30 Apr 2017
Note	\$'000	\$'000	\$'000	\$'000
<b>Operating activities</b>				
Profit/ (loss) before taxation	36	40	(340)	92
<b>Adjustments for:</b>				
Interest expense	18	16	49	47
Depreciation	85	78	232	235
Operating profit/ (loss) before working capital changes	139	134	(59)	374
<b>Changes in working capital:</b>				
Inventories	(77)	(22)	(99)	(55)
Trade and other receivables	(649)	(202)	(346)	(363)
Trade and other payables	(189)	54	22	(1,539)
Cash used in operations	(776)	(36)	(482)	(1,583)
Income tax refunded	3	4	-	-
<b>Cash flows used in operating activities</b>	<b>(773)</b>	<b>(32)</b>	<b>(482)</b>	<b>(1,583)</b>
<b>Investing activities</b>				
Purchase of plant and equipment	(167)	(63)	(220)	(63)
Payment for investment in associated company	-	-	-	(689)
<b>Cash flows used in investing activities</b>	<b>(167)</b>	<b>(63)</b>	<b>(220)</b>	<b>(752)</b>
<b>Financing activities</b>				
Interest paid	(18)	(16)	(49)	(47)
Repayment of finance lease installments - net	(6)	(128)	(251)	(375)
(Expenses)/Proceeds from issuance of shares	(31)	-	4,959	3,919
<b>Cash flows (used in)/ generated from financing activities</b>	<b>(55)</b>	<b>(144)</b>	<b>4,659</b>	<b>3,497</b>
Foreign currency translation adjustments	3	8	(7)	(28)
Net (decrease)/ increase in cash and cash equivalents	(992)	(231)	3,950	1,134
Cash and cash equivalents at beginning of the period	8,607	4,133	3,665	2,768
<b>Cash and cash equivalents at end of the period</b>	<b>7,615</b>	<b>3,902</b>	<b>7,615</b>	<b>3,902</b>

Explanatory notes to the consolidated cash flow statement

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

	30 Apr 2018	30 Apr 2017
	\$'000	\$'000
Cash at bank and in hand	2,615	3,902
Fixed deposits	5,000	-
Cash and cash equivalents in the cash flow statement	7,615	3,902

**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	Accumulated losses \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>At 1 August 2016</b>	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
<b>At 31 October 2016</b>	134,271	(79)	57	(128,376)	5,873	145	6,018
Total comprehensive (loss) / income for the period	-	(11)	-	27	16	2	18
Share options lapsed	-	-	(3)	3	-	-	-
Expenses on issuance of ordinary shares pursuant to share placement	(51)	-	-	-	(51)	-	(51)
<b>At 31 January 2017</b>	134,220	(90)	54	(128,346)	5,838	147	5,985
Total comprehensive profit for the period	-	15	-	45	60	-	60
Share options lapsed	-	-	(54)	54	-	-	-
<b>At 30 April 2017</b>	134,220	(75)	-	(128,247)	5,898	147	6,045
<b>At 1 August 2017</b>	134,220	(85)	-	(128,208)	5,927	115	6,042
Total comprehensive loss for the period	-	(3)	-	(246)	(249)	(3)	(252)
<b>At 31 October 2017</b>	134,220	(88)	-	(128,454)	5,678	112	5,790
Total comprehensive loss for the period	-	4	-	(132)	(128)	(8)	(136)
Issuance of ordinary shares pursuant to share placement	4,990	-	-	-	4,990	-	4,990
<b>At 31 January 2018</b>	139,210	(84)	-	(128,586)	10,540	104	10,644
Total comprehensive profit for the period	-	2	-	39	41	1	42
Expenses on issuance of ordinary shares pursuant to share placement	(31)	-	-	-	(31)	-	(31)
<b>At 30 April 2018</b>	139,179	(82)	-	(128,547)	10,550	105	10,655



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

	Attributable to equity holders of the Company			
	Share Capital	Share option	Accumulated	Total equity
	\$'000	reserve	losses	\$'000
		\$'000	\$'000	
<b>At 1 August 2016</b>	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
<b>At 31 October 2016</b>	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	-
<b>At 31 January 2017</b>	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	-
<b>At 30 April 2017</b>	134,220	-	(122,076)	12,144
<b>At 1 August 2017</b>	134,220	-	(138,162)	(3,942)
Total comprehensive loss for the period	-	-	(372)	(372)
<b>At 31 October 2017</b>	134,220	-	(138,534)	(4,314)
Total comprehensive loss for the period	-	-	(396)	(396)
Issuance of ordinary shares pursuant to share placement	4,990	-	-	4,990
<b>At 31 January 2018</b>	139,210	-	(138,930)	280
Total comprehensive income for the period	-	-	(335)	(335)
Expenses on issuance of ordinary shares pursuant to share placement	(31)	-	-	(31)
<b>At 30 April 2018</b>	139,179	-	(139,265)	(86)

- 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 third quarter ended 30 April 2018.

As at 30 April 2018, 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 3Q2018, 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 (3Q2017: 36,786,000 warrants).

No share warrants were exercised in 3Q2018 (3Q2017: Nil).

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares as at 30 April 2018 was 119,776,362 (31 July 2017: 112,626,362).  
 There were no treasury shares held by the Company at 30 April 2018.

- 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			
	3rd Quarter (3 Months)		Nine Months (9 Months)	
	30 Apr 2018	30 Apr 2017	30 Apr 2018	30 Apr 2017
6(a) Based on the weighted average number of ordinary shares on issue (in cents)	0.03	0.04	(0.29)	0.08
Weighted average number of ordinary shares (in million)	119.78	108.90	115.77	110.70
6(b) On a fully diluted basis (in cents)	0.03	0.04	(0.22)	0.08
Weighted average number of ordinary shares (in million)	156.56	108.90	152.56	110.70

**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 2018	30 Apr 2017	30 Apr 2018	30 Apr 2017
Net asset value per ordinary share based on issued share capital at the end of the financial period / year (in cents)	8.90	5.36	(0.07)	10.78

Net asset value per ordinary share as at 30 April 2018 is calculated based on the existing issued share capital of 119,776,362 ordinary shares outstanding as at 30 April 2018 (30 April 2017: 112,626,362).

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

## **INCOME STATEMENT**

### **Revenue**

Business Activity	3rd Quarter ended (3 months)			
	30 Apr 18	30 Apr 17	+ / (-)	+ / (-)
	S\$'mil	S\$'mil	S\$'mil	%
Printing	1.79	2.05	(0.26)	(12.7%)
Other revenue	0.04	-	0.04	100.0%
Total revenue	1.83	2.05	(0.22)	(10.7%)

### **Overview**

Revenue for printing decreased by 12.7% from the previous corresponding quarter, due to clients' shift towards digital media, and partly cost-cutting by clients. Concurrently, there was an increase of S\$0.04 million in other revenue, being the sale of associated services and digital technology display systems.

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

In 3Q2018, the cost of raw materials and consumables decreased by 16% to S\$0.56 million compared to S\$0.67 million in 3Q2017, which is in line with the decrease in sales.

### **Other income**

Other income in 3Q2018 increased by S\$0.11 million from 3Q2017 mainly due to government grants received.

### **Staff costs**

There was no significant variation in staff costs for 3Q2018 compared to 3Q2017.

### **Depreciation**

Depreciation charges for 3Q2018 are higher compared to 3Q2017 due to the addition of plant and equipment during the period.

### **Other operating expenses**

There were no significant variations in other operating expenses for 3Q2018 compared to 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 set off against the current year's taxable income. Income tax credit was due to over-provision of tax in prior years.

## **STATEMENT OF FINANCIAL POSITION**

### **Plant and equipment**

The Group's plant and equipment of S\$1.80 million was higher at the end of 3Q2018 compared to 31 January 2018 due to the purchase of office equipment in the current quarter.

### **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 for the third quarter of FY2018 (Q3FY2018).

### **Trade and other receivables**

Trade receivables increased by S\$0.59 million from S\$0.89 million as at 31 January 2018 to S\$1.48 million as at 30 April 2018 mainly due to sales in 3Q2018 which were not due for collection.

Other receivables amounted to S\$1.89 million as at 30 April 2018, compared with S\$1.84 million as at 31 January 2018. These mainly consist of the amount receivable for the sale of subsidiary corporations and deposits paid.

### **Trade and other payables**

Trade and other payables decreased from S\$3.1 million as at 31 January 2018 to S\$2.9 million as at 30 April 2018 mainly due to the settlement of the Group's obligations as its operating cash flow improves.

### **Borrowings**

The Group's borrowings consist only of finance lease obligations. Instalment payments made during Q3FY2018 were partially offset by new finance lease obtained during the same period.

## **REVIEW OF CASH FLOWS**

Operating profit before working capital changes was \$0.1 million in Q3FY2018. Cash out-flows due to changes in working capital was \$0.8 million mainly due to increases in inventories and receivables as well as a decrease in payables. The above contributed to net cash flows used in operating activities of \$0.77 million in Q3FY2018.

Net cash flows used in investing activities was \$0.17 million mainly due to the purchase of plant and equipment in Q3FY2018.

Net cash flows used in financing activities was \$0.06 million mainly due to legal expenses incurred for a capitalisation issue in Q2FY2018 and capitalised in Q3FY2018.

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**

The Group recorded a modest net profit of S\$41,000 for 3QFY2018. The printing industry landscape remains increasingly challenging especially for our clients in the financial industry which has been downsizing their business spend. To mitigate the shrinking print market as a result of digital media, the Group is expanding the client base of the printing business and enhancing our products through the acquisition of modern machines with special features.

Leveraging on Singapore's Smart Nation vision to improve the country's quality of life through the use of smart digital technologies, the Group has maintained diversification towards smart technologies for urban living. We have recently partnered Google for the launch of Google Home, an artificial intelligence device, in Singapore. The Group is currently working with real estate developers and contractors to establish Google Home and Google Home Mini at local housing and property development projects. The Group is also collaborating with public organisations to conduct educational and awareness programmes on smart, intelligent living.

The Group recently completed the share transfer to become the 51% shareholder of A-Smart Dili Development Co LDA in Timor-Leste ("A-Smart Dili"). Preparation for the launch of the first project at the central business district of Timor-Leste is in progress, while commencement of construction was delayed by their recent parliamentary elections.

Following the opening of the first Sheng Siong supermarket in Kunming, China, the associated company is maintaining the strategy of gradually expanding the chain of supermarket stores, while promoting the "Sheng Siong" brand locally.

We remain confident that the Group's restructuring is relevant for positive contribution. Our Group will continue to leverage on viable opportunities to diversify its revenue base in a sustainable manner and provide additional income streams for enhancing its business performance.

**11 Dividend**

**(a) Current financial period reported on**

Any dividend declared for the present financial period?  
 No.

**(b) Corresponding period of the immediately preceding financial year**

Any dividend declared for the previous corresponding period?  
 No.

**(c) Date payable**

Not Applicable.

**(d) Book closure date**

Not Applicable.

**12 If no dividend has been declared or recommended, a statement to that effect**

No dividend has been declared or recommended for the current financial period.

**13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

There is no interested person transaction which is valued at more than S\$100,000 during the year under review and the company has not obtained any general mandate pursuant to Rule 920 of the Listing Manual.

**14 Use of proceeds from rights issue and shares placement**

a) Further to the disclosure on Use of Proceeds in page 14 of the Company's results announcement for 2Q2018, 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	1,767
<b><u>Less:</u></b>	
▪ Long and outstanding payables	200
<b>Total net proceeds balance from the Placement</b>	<b>1,567</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 30 April 2018 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  
12 June 2018