



XPRESS HOLDINGS LTD

(Registration No. 199902058Z)

UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 APRIL 2016

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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 2016	30 Apr 2015	Increase / (decrease)	30 Apr 2016	30 Apr 2015	Increase / (decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	1,997	3,244	(38.4%)	5,985	8,898	(32.7%)
Other income	107	53	101.9%	265	557	(52.4%)
Total Revenue	2,104	3,297	(36.2%)	6,250	9,455	(33.9%)
Costs and expenses						
Changes in inventories of finished goods and work-in-progress	(148)	381	(138.8%)	16	121	(86.8%)
Raw materials and consumables used	(554)	(1,063)	(47.9%)	(1,647)	(1,815)	(9.3%)
Reversal/ (Initial write down) on asset held for sale	392	-	N.M.	(7,959)	-	N.M.
Staff costs	(1,119)	(1,346)	(16.9%)	(3,371)	(4,106)	(17.9%)
Depreciation	(44)	(102)	(56.9%)	(153)	(341)	(55.1%)
Foreign currency (loss)/ gain	2	160	(98.8%)	198	664	(70.2%)
Other operating expenses	(397)	(654)	(39.3%)	(1,431)	(2,394)	(40.2%)
Finance costs	(78)	(110)	(29.1%)	(97)	(139)	(30.2%)
(Loss)/Profit before tax	158	563	(71.9%)	(8,194)	1,445	(667.1%)
Income tax	-	-	N.M.	30	-	N.M.
Net (loss)/ profit of discontinued operations	(392)	(419)	(6.4%)	(1,310)	(962)	36.2%
Net (loss)/profit for the period	(234)	144	(262.5%)	(9,474)	483	(2061.5%)
Attributable to:						
Equity holders of the parent	(234)	144	(262.5%)	(9,472)	483	(2061.1%)
Non- controlling interests	-	-	N.M.	(2)	-	N.M.
Net (loss)/profit for the period	(234)	144	(262.5%)	(9,474)	483	(2061.5%)

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				9 MONTHS ENDED			
	30-Apr-16		30-Apr-15		30-Apr-16		30-Apr-15	
	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	-	-	-	-	7	-	-	-
Rental income	-	-	4	-	-	-	55	-
Interest income on bank deposits	8	-	-	-	8	-	-	-
Gain on disposal of equipment	8	26	2	-	8	26	455	215
Miscellaneous income	91	-	47	-	242	8	47	-
Total	107	26	53	-	265	34	557	215

Note 2 Finance costs comprise the following:

	3 MONTHS ENDED				9 MONTHS ENDED			
	30-Apr-16		30-Apr-15		30-Apr-16		30-Apr-15	
	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 incurred for:								
- overdrafts	(9)	-	(54)	-	(18)	-	(71)	-
- term loans	-	-	(53)	-	-	-	(58)	-
Hire purchase interest	(69)	-	(3)	-	(79)	-	(10)	-
Total	(78)	-	(110)	-	(97)	-	(139)	-

Note 3 Other operating expenses include the following:

	3 MONTHS ENDED				9 MONTHS ENDED			
	30-Apr-16		30-Apr-15		30-Apr-16		30-Apr-15	
	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	(5)	(14)	(63)	(9)	(56)	(39)	(233)	(23)
Operating lease expense - office, factories and warehouses	(163)	(66)	(120)	(90)	(457)	(259)	(891)	(304)

Note 4 Income tax comprises the following:

	3 MONTHS ENDED				9 MONTHS ENDED			
	30-Apr-16		30-Apr-15		30-Apr-16		30-Apr-15	
	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	-	-	-	-	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 2016 \$'000	30 Apr 2015 \$'000	Increase/ Decrease %	30 Apr 2016 \$'000	30 Apr 2015 \$'000	Increase/ Decrease %
Continuing Operations						
Net (loss)/profit for the period from continuing operations	158	563	(71.9%)	(8,164)	1,445	N.M.
Other comprehensive (loss)/ income:						
Translation differences relating to financial statements of foreign subsidiaries	19	51	(62.7%)	(95)	(60)	58.3%
Translation differences arising on monetary items forming part of net investments in foreign operations	0	-	N.M.	0	-	N.M.
Other comprehensive (loss)/ income for the period from continuing operations	19	51	(62.7%)	(95)	(60)	58.3%
Total comprehensive (loss)/ income for the period from continuing operations	177	614	(71.2%)	(8,259)	1,385	(696.3%)
Discontinued Operations						
Net (loss)/profit for the period from discontinued operations	(392)	(420)	(6.7%)	(1,310)	(962)	36.2%
Other comprehensive (loss)/ income:						
Translation differences relating to financial statements of foreign subsidiaries	(47)	(279)	(83.2%)	(1,442)	(320)	350.6%
Translation differences arising on monetary items forming part of net investments in foreign operations	95	(220)	(143.2%)	(571)	984	N.M.
Other comprehensive (loss)/ income for the period from discontinued operations	48	(499)	(109.6%)	(2,013)	664	(403.2%)
Total comprehensive (loss)/ income for the period from discontinued operations	(344)	(919)	(62.6%)	(3,323)	(298)	1015.1%
Total comprehensive (loss)/ income attributable to:						
Equity holders of the parent	(167)	(305)	(45.2%)	(11,580)	1,087	(1165.3%)
Non-controlling interests	-	-	N.M.	(2)	-	N.M.
Total comprehensive (loss)/ income for the period from continuing operations	(167)	(305)	(45.2%)	(11,582)	1,087	(1165.5%)

(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30 Apr 2016	31 Jul 2015	30 Apr 2016	31 Jul 2015
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Plant and equipment	616	8,269	117	149
Investments in subsidiaries	-	-	4,000	4,000
	616	8,269	4,117	4,149
Current assets				
Inventories	148	1,363	-	-
Trade receivables	1,163	4,973	185	16
Other receivables	1,271	1,872	152	160
Non-trade amount due from subsidiaries	-	-	8,569	5,726
Cash and cash equivalents	512	3,690	256	2,785
Assets held for sale	940	-	-	-
	4,034	11,898	9,162	8,687
Total assets	4,650	20,167	13,279	12,836
Equity attributable to equity holders of the parent				
Share capital	127,333	125,033	127,333	125,033
Other reserves	612	(9,291)	706	706
Accumulated losses	(116,768)	(107,296)	(119,655)	(118,871)
Reserve of asset held for sale	(11,907)	-	-	-
	(730)	8,446	8,384	6,868
Non-controlling interests	178	180		
Total equity	(552)	8,626	8,384	6,868
Non-current liabilities				
Obligations under finance lease	610	726	87	115
Deferred tax liabilities	-	-	-	-
	610	726	87	115
Current liabilities				
Trade and other payables	4,224	9,261	1,728	3,650
Trade amount due to subsidiaries	-	-	80	39
Non-trade amount due to subsidiaries	-	-	2,968	2,134
Interest-bearing borrowings	-	1,099	-	-
Obligations under finance lease	346	433	32	30
Current tax payable	22	22	-	-
	4,592	10,815	4,808	5,853
Total liabilities	5,202	11,541	4,895	5,968
Total equity and liabilities	4,650	20,167	13,279	12,836

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 2016		As at 31 July 2015	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
346	-	980	552

Amount repayable after one year

As at 30 April 2016		As at 31 July 2015	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
610	-	726	-

Details of any collateral:

Secured borrowings at 30 April 2016 mainly refer to the following:

- a. Finance lease liabilities amounting to S\$0.96 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 2016	30 Apr 2015	30 Apr 2016	30 Apr 2015
	\$'000	\$'000	\$'000	\$'000
Operating activities				
(Loss)/Profit before taxation	(234)	144	(9,504)	484
Adjustments for:				
Interest expense	25	109	44	138
Interest income	(8)	-	(8)	-
Depreciation of plant and equipment	268	319	785	1,072
Initial write down on asset held for sales	(392)	-	7,959	-
Plant and equipment written off	-	39	-	39
Gain on disposal of plant and equipment, net	(34)	18	(34)	(670)
Operating profit before working capital changes	(375)	629	(758)	1,063
Changes in working capital:				
Inventories	182	(20)	25	(185)
Trade and other receivables	894	(502)	1,780	(4,585)
Trade and other payables	(1,327)	(20)	(3,029)	3,059
Cash generated from operations	(626)	87	(1,982)	(648)
Income tax refund	-	-	30	-
Cash flows used in operating activities	(626)	87	(1,952)	(648)
Investing activities				
Interest received	8	-	8	-
Purchase of plant and equipment	(216)	91	(262)	(221)
Proceeds from disposal of plant and equipment, net	213	(388)	213	290
Cash flows (used in)/ generated from investing activities	5	(297)	(41)	69
Financing activities				
Interest paid	(25)	(109)	(44)	(138)
Repayment of finance lease instalments	(163)	-	(203)	(56)
Proceeds of share warrants exercised	-	-	2,070	-
Repayments of borrowings	-	78	-	(312)
Fixed deposits pledged	540	-	540	-
Cash flows used in from financing activities	352	(31)	2,363	(506)
Foreign currency translation adjustments	(20)	420	(1,887)	1,177
Net decrease in cash and cash equivalents	(289)	179	(1,517)	92
Cash and cash equivalents at beginning of the period	825	(1,342)	2,053	(1,255)
Cash and cash equivalents at end of the period	536	(1,163)	536	(1,163)

A

Explanatory notes to the consolidated cash flow statement

Note A. Cash and cash equivalents comprise the following:

	30 Apr 2016	30 Apr 2015
	<u>\$'000</u>	<u>\$'000</u>
Cash at bank and in hand	536	62
Fixed deposits	-	540
Cash and cash equivalents	536	602
Bank overdrafts (secured)	-	(1,225)
Fixed deposits pledged	-	(540)
Cash and cash equivalents in the cash flow statement	536	(1,163)
Less: Cash and cash equivalents of discontinued operations	(24)	-
	512	(1,163)

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the Group

Attributable to equity holders of the Company

	Share capital \$'000	Currency translation reserve \$'000	Share option reserve \$'000	Retained earnings \$'000	Reserve of asset classified as held for sale \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 August 2014	117,908	(10,948)	706	(107,610)	-	56	183	239
Total comprehensive income for the period	-	(172)	-	126	-	(46)	3	(43)
At 31 October 2014	117,908	(11,120)	706	(107,484)	-	10	186	196
Total comprehensive income for the period	-	1,224	-	214	-	1,438	(3)	1,435
At 31 January 2015	117,908	(9,896)	706	(107,270)	-	1,448	183	1,631
Total comprehensive income for the period	-	(448)	-	144	-	(304)	-	(304)
At 30 April 2015	117,908	(10,344)	706	(107,126)	-	1,144	183	1,327
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)

Statement of Changes in Equity for the Company

	Share capital \$'000	Share option reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1 August 2014	117,908	706	(117,965)	649
Total comprehensive income for the period	-	-	333	333
At 31 October 2014	117,908	706	(117,632)	982
Total comprehensive income for the period	-	-	(556)	(556)
At 31 January 2015	117,908	706	(118,188)	426
Total comprehensive income for the period	-	-	(830)	(830)
At 30 April 2015	117,908	706	(119,018)	(404)
At 1 August 2015	125,033	706	(118,871)	6,868
Total comprehensive income for the period	-	-	(113)	(113)
At 31 October 2015	125,033	706	(118,984)	6,755
Total comprehensive income 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 income 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

- 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.**

In 3Q2016, the Company completed a share consolidation exercise where every forty (40) Existing Shares registered in the name of each Shareholder was consolidated to constitute one (1) Consolidated Shares (the "Share Consolidation"). Following the completion of the Share Consolidation, the issued share capital of the Company comprised 96,198,080 Consolidation Shares (before Share Consolidation: 3,847,927,123 Shares).

Share Options

The Company has a share option scheme known as Xpress Holdings 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.

Pursuant to the Share Consolidation, the outstanding share options were also consolidated on the basis of every forty (40) share options consolidated into one (1) share option. At 30 April 2016, there were 97,500 (30 April 2015: 97,500) outstanding share options which would entitle the holders to subscribe for a total of 97,500 ordinary shares of the Company (30 April 2015: 97,500) at a weighted average exercise price of S\$7.20 (30 April 2015: S\$7.20) per share. The last of these outstanding share options would lapse or expire should they remain unexercised by 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 2016 was 96,198,080 (31 July 2015: 88,698,178). There were no treasury shares held by the Company at 30 April 2016.

- 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.

- 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 2015.

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 2015, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 August 2015.

Financial Reporting Standards ("FRS") which became effective for the Group's financial period beginning 1 August 2015 are:

Amendments to FRS 19 Defined Benefit Plans: Employee Contributions
Improvements to FRSs (January 2014)
Improvements to FRSs (February 2014)

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 2016	30 Apr 2015	30 Apr 2016	30 Apr 2015
6(a) Based on the weighted average number of ordinary shares on issue (in cents)	(0.24)	0.23	(10.36)	0.79
Weighted average number of ordinary shares (in million)	96.2	61.2	96.2	61.2
6(b) On a fully diluted basis (in cents)	(0.2438)	0.23	(10.36)	0.79
Weighted average number of ordinary shares (in million)	96.2	61.2	96.2	61.2

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 2016	30 Apr 2015	30 Apr 2016	30 Apr 2015
Net asset value per ordinary share based on issued share capital at the end of the financial period / year (in cents)	(0.57)	2.17	8.72	(0.66)

Net asset value per ordinary share as at 30 April 2016 is calculated based on the existing issued share capital of 96,198,200 ordinary shares outstanding as at 30 April 2016 (30 April 2015: 61,198,200).

- 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) Review of Group Results for 3rd Quarter ended 30 April 2016 against 3rd Quarter ended 30 April 2015

Continuing operations

Revenue

For 3Q2016, the Group recorded Printing Revenue of S\$2.0 million for its continuing operations, which was \$1.2 million (38%), lower than the S\$3.2 million achieved in 3Q2015.

The printing industry in Singapore remained challenging in 3Q 2016. As new technologies from the digital print segment have replaced a significant portion of the demand in the traditional offset printing segment, the Group is in the process of upgrading its Singapore machinery in order to gain a higher market share for specialised printing which commands a higher profit margin.

Other income

Miscellaneous income such as sale of scrap paper has increased in 3Q2016 over 3Q2015.

Costs and expenses

In 3Q2016, the cost of raw materials and consumables such as paper, films and plates decreased by 48% which is in line with the lower printing demand.

Staff costs for 3Q2016 was S\$0.2 million or 17% lower than that of 3Q2015, mainly due to lower staff strengths.

Depreciation charge for 3Q2016 was lower by 57% compared with 3Q2015 as certain plant and equipment have become fully depreciated.

Other operating expenses were lower in 3Q2016 compared to 3Q2015 mainly due to lower rental expenses for the Singapore plant and lower legal fees incurred.

Discontinued operations

As reported in the results announcement for 2Q2016, the Group is in the process of selling certain loss-making subsidiaries, namely, Xpress Print (Shenzhen) Co. Ltd, Precise Media Group Limited, Xpress Print (K.L.) Sdn Bhd, Xpress Print (H.K.) Limited (collectively, the "Sale companies") and Shenzhen Jiaxingda Printing Co. Ltd ("Available-for-sale Financial Asset"), for a sale consideration of S\$1.0 million (the "Proposed Disposal"). Accordingly, the net assets of the Sale companies have been reclassified to a single line item under "Assets held for sale" in the statement of financial position at 31 January 2016 and 30 April 2016.

The net loss attributable to the Sale companies for the nine months ending 30 April 2016 ("Q3FY2016") was S\$1.31 million (Q3FY2015: S\$0.96 million) and for 3Q2016 was S\$0.39 million (3Q2015: S\$0.42 million) respectively. As the Sale companies would be sold at a deficit to its net asset values, the Group made an initial write down of the assets held for sale for S\$8.35 million to the Income statement in 2Q2016 and further made a credit adjustment for S\$0.39 million in 3Q2016 for the initial write down to assets held for sale in the Income Statement, corresponding to the net loss suffered by the Sale companies in 3Q2016.

8(b) Cash Flow, Working Capital, Assets and Liabilities of the group during the current financial period reported on

Reclassification in the Statement of financial position and Initial write down of assets held for sale to the Income statement

The total net assets of the Sale companies as at 30 April 2016 were made up of:

	<u>1H 2016</u> <u>(6 months)</u>	<u>3Q 2016</u> <u>(3 months)</u>	<u>Q3 FY2016</u> <u>(9 months)</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Plant and equipment	6,861	(132)	6,729
Inventories	1,254	(64)	1,190
Trade and other receivables	3,131	(500)	2,631
Cash and cash equivalents	21	3	24
Total assets	11,267	(693)	10,574
Less:			
Trade and other payables	(1,976)	197	(1,779)
Net assets of Sale companies	9,291	(496)	8,795
<u>(Less)/ Add:</u>			
- Initial write down of Assets held for sale to Fair value less costs to sell (charged to the Income statement)	(8,351)	392	(7,959)
- Exchange loss for 3Q 2016	-	104	104
Net assets of Sale companies reclassified to	940	-	940
Assets held for sale			

The Assets held for sale are carried at its fair value less costs to sell of S\$0.94 million in the Statement of financial position.

The Available for sale investment has a carrying value of S\$ nil as at 30 April 2016.

Cash flows of the Group

The cash and cash equivalents decreased in 3Q2016 by S\$0.3 million mainly due to increases in the repayment of finance lease payments.

There were no other material factors that affected the cash flow, working capital, assets and liabilities of the Group during the current financial 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 Board is pleased to have obtained the shareholders' approval today at the Extraordinary General Meeting for the Proposed Disposal of the loss-making subsidiaries. We believe that this will allow the Group to streamline its structure, reduce its fixed operating costs and minimise the future losses to the Group. The Proposed Disposal will also enable the Company to free up its resources and capital for allocation to its other profitable operations.

In line with our strategy to add new businesses and diversify the Group's revenue streams, the Company recently announced that the Group will be acquiring an E-commerce company which the Board believes has much room for organic growth and cross border expansion. The Group is also taking up a minority stake in a joint venture company that will operate a supermarket chain in the PRC under the Sheng Siong brand. These new investments are expected to bring positive investment returns to the Group in the future. Meanwhile, the Board is also constantly on the lookout for viable investment opportunities that will benefit the long term shareholders' value.

The Board notes that the Group is in negative working capital and negative equity position as at 30 April 2016 due to the financial impact from the Proposed Disposal as discussed in Note 8. The Board Chairman will be exercising part of his outstanding warrants in the following week which will provide the Company with approximately S\$3.0 million in proceeds. As such, the Board is confident that the Group will be able to meet its working capital requirements and obligations as and when they fall due.

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 announcement made on 20 January 2016, the company wishes to provide the breakdown on the use of proceeds from the exercised of 7,500,000 share warrants of approximately S\$2,100,000 by the Company as at the date of this announcement, as follows:

Purpose	Amount Allocated (\$ '000)	Reallocated amount (\$ '000)	Amount Utilised (\$ '000)	Balance (\$ '000)
1. Repayment of loan from investor	750	-	(750)	-
2. Repayment of existing debts	50	-	(50)	-
3. General working capital purpose	1,300	-	(1044)	256
	2,100	-	(1,844)	256

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 2016 to be false or misleading in any material aspect.

16 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Lim Huan Chiang
Executive Chairman and CEO
14 June 2016