A-Smart Holdings Ltd.

(Registration No. 199902058Z)

UNAUDITED RESULTS FOR THE SECOND HALF AND FULL YEAR ENDED 31 JULY 2020

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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

		GROUP 6 MONTHS ENDED			GROUP 12 MONTHS ENDED		
	Note	31 Jul 2020	31 Jul 2019	Increase / (decrease)	31 Jul 2020	31 Jul 2019	Increase / (decrease)
		$'000	$'000	%	$'000	$'000	%
Revenue		**1,772**	3,526	**(49.7%)**	**5,365**	6,920	**(22.5%)**
Other income	1	**657**	54	**1116.7%**	**711**	146	**387.0%**
Total Revenue		**2,429**	3,580	**(32.2%)**	**6,076**	7,066	**(14.0%)**
Costs and expenses							
Changes in inventories	2	**17**	(106)	**116.0%**	**26**	(74)	**135.1%**
Inventories used		**(623)**	(1,272)	**(51.0%)**	**(1,901)**	(2,478)	**(23.3%)**
Staff costs		**(1,106)**	(2,317)	**(52.3%)**	**(2,705)**	(4,008)	**(32.5%)**
Depreciation		**(391)**	(171)	**128.7%**	**(560)**	(347)	**61.4%**
Foreign currency (loss)/gain		**(2)**	9	**(122.2%)**	**(11)**	8	**(237.5%)**
Impairment loss on financial assets	5	**(1)**	(214)	**(99.5%)**	**(1)**	(214)	**(99.5%)**
Other operating expenses	4	**(303)**	(1,624)	**(81.3%)**	**(771)**	(2,360)	**(67.3%)**
Finance costs	3	**(33)**	(23)	**43.5%**	**(56)**	(60)	**(6.7%)**
Share of profit/(loss) of an associated company		**99**	16	**518.8%**	**113**	(20)	**665%**
Profit/(Loss) before taxation		**86**	(2,122)	**104.1%**	**210**	(2,487)	**108.4%**
Income tax		**-**	-	**-**	**-**	-	**-**
Net profit/(loss) for the period		**86**	(2,122)	**104.1%**	**210**	(2,487)	**108.4%**
Attributable to:							
Equity holders of the parent		**73**	(1,688)	**104.3%**	**141**	(2,053)	**106.9%**
Non- controlling interests		**13**	(434)	**103.0%**	**69**	(434)	**115.9%**
Net profit/(loss) for the period		**86**	(2,122)	**104.1%**	**210**	(2,487)	**108.4%**

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

Note 1 Other income comprises the following:

	6 MONTHS ENDED		12 MONTHS ENDED	
	31-Jul-20	31-Jul-19	31-Jul-20	31-Jul-19
	$'000	$'000	$'000	$'000
Gain on disposal of plant and equipment	-	-	3	3
Government grants	434	18	440	44
Rental income	7	7	15	19
Fair value gain – financial asset, at FVPL	15	-	15	-
Gain on liquidation of a subsidiary corporation	116	-	116	-
Interest income	78	24	108	62
Bad debts recovered	7	1	7	1
Miscellaneous income	-	4	7	18
Total	657	54	711	146

Note 2 Changes in inventories of raw materials and consumables comprise the following:

	6 MONTHS ENDED		12 MONTHS ENDED	
	31-Jul-20	31-Jul-19	31-Jul-20	31-Jul-19
	$'000	$'000	$'000	$'000
Inventories recognised as an expense in cost of sales	17	5	26	37
Write down of inventories	-	(111)	-	(111)
Total	17	(106)	26	(74)

Note 3 Finance costs comprise the following:

	6 MONTHS ENDED		12 MONTHS ENDED	
	31-Jul-20	31-Jul-19	31-Jul-20	31-Jul-19
	$'000	$'000	$'000	$'000
Lease liabilities	(33)	(23)	(56)	(60)
Total	(33)	(23)	(56)	(60)

Note 4 Other operating expenses include the following:

	6 MONTHS ENDED		12 MONTHS ENDED	
	31-Jul-20	31-Jul-19	31-Jul-20	31-Jul-19
	$'000	$'000	$'000	$'000
Marketing expenses	(11)	(27)	(39)	(66)
Employee share option expense	(15)	-	(15)	-
Legal professional and compliance expenses	(121)	(141)	(267)	(335)
Operating lease expense - office, factories and warehouses	(9)	(124)	(255)	(491)
Loss on disposal of subsidiary corporations	-	(154)	-	(154)
Preliminary expenses recovered/ (incurred) for overseas property projects	-	(897)	137	(897)

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

Note 5 Impairment loss on financial assets comprises the following:

	6 MONTHS ENDED		12 MONTHS ENDED	
	31-Jul-20	31-Jul-19	31-Jul-20	31-Jul-19
	$'000	$'000	$'000	$'000
Trade receivables	(1)	(160)	(1)	(160)
Sundry receivables	-	(54)	-	(54)
Total	(1)	(214)	(1)	(214)

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 6 MONTHS ENDED			GROUP 12 MONTHS ENDED		
	31 Jul 2020	31 Jul 2019	**Increase/ (Decrease)**	**31 Jul 2020**	31 Jul 2019	**Increase/ (Decrease)**
	$'000	$'000	%	**$'000**	$'000	%
Net income/(loss) for the period	**86**	(2,122)	104.1%	**210**	(2,487)	108.4%
Other comprehensive income/(loss):						
Items that may be classified subsequently to profit or loss:						
Translation differences relating to financial statements of foreign subsidiary corporations	**88**	(21)	519.0%	**50**	(5)	1100.0%
Translation differences arising on monetary items forming part of net investments in foreign operations	**(2)**	(7)	(71.4%)	**(6)**	(28)	(78.6%)
	86	(28)	407.1%	**44**	(33)	233.3%
Items that will not be classified subsequently to profit or loss:						
Translation differences arising on monetary items forming part of net investments in foreign operations	-	3	N.M.	**-**	3	N.M.
Other comprehensive income/(loss) for the period	**86**	(25)	444.0%	**44**	(30)	246.7%
Total comprehensive income/(loss) for for the period	**172**	(2,147)	108.0%	**254**	(2,517)	110.1%
Total comprehensive income/(loss) attributable to:						
Equity holders of the parent	**159**	(1,713)	109.3%	**185**	(2,086)	108.9%
Non-controlling interests	**13**	(434)	103.0%	**69**	(431)	116.0%
Total comprehensive income/(loss) for the period	**172**	(2,147)	108.0%	**254**	(2,517)	110.1%

(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 Jul 2020	31 Jul 2019	**31 Jul 2020**	31 Jul 2019
	$'000	$'000	**$'000**	$'000
Non-current assets				
Plant and equipment	**1,359**	1,617	**145**	175
Right-of-use assets	**1,067**	-	**-**	-
Investments in subsidiary corporations	**-**	-	**6,228**	6,228
Investment in an associated company	**1,348**	1,234	**-**	-
	3,774	2,851	**6,373**	6,403
Current assets				
Inventories	**506**	480	**-**	-
Development properties - property under construction	**3,830**	3,289	**-**	-
Development properties – land held for future development	**2,818**	370		
Trade receivables	**683**	1,064	**-**	-
Other receivables	**1,645**	1,893	**650**	932
Financial asset – at FVPL	**22**	-	**22**	-
Trade amount due from subsidiary corporations	**-**	-	**552**	552
Non-trade amount due from subsidiary corporations	**-**	-	**8,107**	6,581
Cash and cash equivalents	**8,884**	4,910	**7,429**	3,516
	18,388	12,006	**16,760**	11,581
Total assets	**22,162**	14,857	**23,133**	17,984
Equity attributable to equity holders of the parent				
Share capital	**147,360**	141,665	**147,360**	141,665
Other reserves	**1**	(58)	**15**	-
Accumulated losses	**(130,811)**	(130,952)	**(142,654)**	(141,751)
	16,550	10,655	**4,721**	(86)
Non-controlling interests	**168**	(259)	**-**	-
Total equity	**16,718**	10,396	**4,721**	(86)
Non-current liabilities				
Lease liabilities	**2,952**	429	**56**	66
	2,952	429	**56**	66
Current liabilities				
Trade and other payables	**1,810**	3,730	**229**	415
Trade amount due to subsidiary corporations	**-**	-	**152**	152
Non-trade amount due to subsidiary corporations	**-**	-	**17,963**	17,415
Lease liabilities	**661**	281	**12**	22
Current income tax liabilities	**21**	21	**-**	-
	2,492	4,032	**18,356**	18,004
Total liabilities	**5,444**	4,461	**18,412**	18,070
Total equity and liabilities	**22,162**	14,857	**23,133**	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 July 2020		As at 31 July 2019	
Secured	**Unsecured**	Secured	Unsecured
$'000	**$'000**	$'000	$'000
255	**406**	281	-

Amount repayable after one year

As at 31 July 2020		As at 31 July 2019	
Secured	**Unsecured**	Secured	Unsecured
$'000	**$'000**	$'000	$'000
2,277	**675**	429	-

Details of any collateral:

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

a. Finance lease liabilities amounting to S$0.41 million that are secured by the respective motor vehicles and machinery purchased under finance leases; and

b. Lease rentals of S$2.12 million are secured by development properties – land held for future development, that has a carrying value of S$0.7 million as at 31 July 2020.

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		Group 12 Months Ended	
		31 Jul 2020	31 Jul 2019	**31 Jul 2020**	31 Jul 2019
		$'000	$'000	**$'000**	$'000
Cash flows from operating activities					
Operating profit/(loss) before working capital changes		**211**	(1,472)	**480**	(1,626)
Changes in working capital:					
Inventories		**(17)**	(5)	**(26)**	(37)
Development properties		**(606)**	(3,659)	**(869)**	(3,659)
Trade and other receivables		**285**	(682)	**621**	(348)
Trade and other payables		**(357)**	1,834	**(1,381)**	1,415
Cash used in operations		**(484)**	(3,984)	**(1,175)**	(4,255)
Income tax *		**-**	-	**-**	-
Cash flows used in operating activities		**(484)**	(3,984)	**(1,175)**	(4,255)
Investing activities					
Interest received		**78**	24	**108**	62
Purchase of plant and equipment		**(62)**	-	**(89)**	(140)
Proceeds from disposal of plant and equipment		**-**	-	**3**	-
Cash flows generated from/(used in) investing activities		**16**	24	**22**	(78)
Financing activities					
Interest paid		**(33)**	(23)	**(56)**	(60)
Repayment of lease liabilities for plant and equipment		**(131)**	(234)	**(284)**	(406)
Repayment of lease liabilities for right-of-use asset	(a)	**(213)**	-	**(213)**	-
Proceeds from issuance of shares pursuant to exercise of warrants by warrant holder		**5,695**	2,506	**5,695**	2,506
Cash flows generated from financing activities		**5,318**	2,249	**5,142**	2,040
Net increase/(decrease) in cash and cash equivalents		**4,850**	(1,711)	**3,989**	(2,293)
Cash and cash equivalents at beginning of the period		**4,029**	6,650	**4,910**	7,202
Effects of currency translation on cash and cash equivalents		**5**	(29)	**(15)**	1
Cash and cash equivalents at end of the period	(b)	**8,884**	4,910	**8,884**	4,910

* Amount less than S$1,000

Consolidated Statement of Cash Flows for the period ended (Cont'd)

	Note	Group 6 Months Ended		Group 12 Months Ended	
		31 Jul 2020	31 Jul 2019	**31 Jul 2020**	31 Jul 2019
		$'000	$'000	**$'000**	$'000
Reconciliation between profit from operations before taxation and operating cash flows before changes in working capital:					
Profit/ (loss) from operations before taxation		**86**	(2,122)	**210**	(2,487)
Adjustments for:					
Interest expense		**33**	23	**56**	60
Interest income		**(78)**	(24)	**(108)**	(62)
Depreciation of plant and equipment		**178**	171	**347**	347
Depreciation of right-of-use asset	(a)	**213**	-	**213**	-
Impairment loss on financial assets		**1**	214	**1**	214
Bad debts recovered		**(7)**	-	**(7)**	-
Fair value gain on financial asset – at FVPL		**(15)**	-	**(15)**	-
(Gain)/loss on disposal of plant and equipment		**-**	17	**(3)**	17
Employee share option expense		**15**	-	**15**	-
Write down of inventories		**-**	111	**-**	111
Loss on disposal of subsidiary corporations		**-**	154	**-**	154
Gain on liquidation of a subsidiary corporation		**(116)**	-	**(116)**	-
Share of (profit)/loss of an associated company		**(99)**	(16)	**(113)**	20
Operating profit/(loss) before working capital changes		**211**	(1,472)	**480**	(1,626)

Explanatory notes to the consolidated cash flow statement

Note:

(a) Payment on lease liabilities and depreciation of right-of-use assets arise from the Group's adoption of SFRS(I) 16 Leases with effect from 1 August 2020 (See Para 5 on page 11).

(b) Cash and cash equivalents comprise the following:

	31 Jul 2020	31 Jul 2019
	$'000	$'000
Cash at bank and in hand	**7,869**	2,410
Fixed deposits	**1,015**	2,500
Cash and cash equivalents in the cash flow statement	**8,884**	4,910

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

	Share Capital	Share Option Reserve	Currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	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)	(365)	(373)	3	(370)
At 31 January 2019	139,159	-	(33)	(129,264)	9,862	121	9,983
Total comprehensive loss for the period	-		(25)	(1,688)	(1,713)	(434)	(2,147)
Issuance of ordinary shares pursuant to exercise of warrants by warrant holder	2,506	-	-	-	2,506	-	2,506
Acquisition of subsidiary corporations	-	-	-	-	-	54	54
At 31 July 2019	141,665	-	(58)	(130,952)	10,655	(259)	10,396
At 1 August 2019	**141,665**	**-**	**(58)**	**(130,952)**	**10,655**	**(259)**	**10,396**
Total comprehensive income for the period	**-**	**-**	**(42)**	**68**	**26**	**56**	**82**
At 31 January 2020	**141,665**	**-**	**(100)**	**(130,884)**	**10,681**	**(203)**	**10,478**
Total comprehensive income for the period	**-**	**-**	**86**	**73**	**159**	**13**	**172**
Issuance of ordinary shares pursuant to exercise of warrants by warrant holder	**5,695**		**-**	**-**	**5,695**	**-**	**5,695**
Employee share option scheme - value of employee service	**-**	**15**	**-**	**-**	**15**	**-**	**15**
Disposal of controlling interest in subsidiary corporation	**-**	**-**	**-**	**-**	**-**	**358**	**358**
	147,360	**15**	**(14)**	**(130,811)**	**16,550**	**168**	**16,718**

1(d)(i) (Cont'd) - Statement of Changes in Equity for the Company

	Share Capital	Share Option Reserve	Accumulated losses	Total equity
	S$'000	S$'000	S$'000	S$'000
At 1 August 2018	139,159	-	(139,518)	(359)
Total comprehensive loss for the period	-	-	(567)	(567)
At 31 January 2019	139,159	-	(140,085)	(926)
Total comprehensive loss for the period	-		(1,666)	(1,666)
Issuance of ordinary shares pursuant to exercise of warrants by warrant holder	2,506	-	-	2,506
Acquisition of subsidiary corporations	-	-	-	-
At 31 July 2019	141,665	-	(141,751)	(86)
At 1 August 2019	**141,665**	**-**	**(141,751)**	**(86)**
Total comprehensive loss for the period	**-**	**-**	**(539)**	**(539)**
At 31 January 2020	**141,665**	**-**	**(142,290)**	**(625)**
Total comprehensive loss for the period	**-**	**-**	**(364)**	**(364)**
Issuance of ordinary shares pursuant to exercise of warrants by warrant holder	**5,695**		**-**	**5,695**
Employee share option scheme - value of employee service	**-**	**15**	**-**	**15**
At 31 July 2020	**147,360**	**15**	**(142,654)**	**4,721**

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.

During the 6 months or second half ended 31 July 2020 ("**2H2020**"), the Company issued 20,336,000 new ordinary shares pursuant to the exercise of 20,336,000 share warrants by a warrant holder (2H2019: Nil).

As at 31 July 2020, there were no subsidiary holdings.

Warrants
On 20 July 2015, the Company issued 2,200,000,000 warrants (the "**Warrants**") each carrying the right to subscribe for one new ordinary share at the exercise price of S$0.07 per new share. The warrants were valid for 5 years from the date of issue.

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 31 July 2020, there were no outstanding share warrants (31 July 2019: 27,836,000 share warrants outstanding).

Share options
At 31 July 2020, there were 1,792,000 share options outstanding and unexercised (31 July 2019: 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 July 2020 was 149,062,362 (31 July 2019: 128,726,362). There were no treasury shares held by the Company at 31 July 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 (a) Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

(b) Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:
i) Updates on the efforts taken to resolve each outstanding audit issue.
ii) 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

The Group applied SFRS(I) 16 on 1 August 2019. The cumulative effect of adopting SFRS (1) 16, if any, is recognised as an adjustment to the opening balance of retained earnings at 1 August 2019.

The Group measure, on a lease-by-lease basis, the right-of-use asset at its carrying amount as if SFRS(I) 16 had been applied since the commencement date, but discounted using the Group's incremental borrowing rate as of 1 August 2019.

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. At commencement date of a lease, a lessee will recognise an asset representing the right to use the underlying asset during the lease term (ie the right-of-use asset) and a liability to make a lease payment (ie the lease liability). Leases will be required to recognise separately the depreciation expense on the right-of-use asset and the interest expense on the lease liability.

Right-of-use assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

The adoption of SFRS(I) 16 does not have a material impact on the opening balance of the Group's retained earnings at 1 August 2019 as the Group's lease agreements were with remaining lease term of less than 12 months.

As of 31 July 2020, the Group has recognised new right-of-use asset with carrying amount of S$1.07 million, additional cost for development properties (land held for future development) of S$2.12 million and corresponding total lease liabilities of S$3.2 million.

(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 Half (6 Months)		Full year (12 Months)	
	31 Jul 2020	**31 Jul 2019**	**31 Jul 2020**	**31 Jul 2019**
6(a) Based on the weighted average number of ordinary shares on issue (in cents)	**0.06**	(1.75)	**0.16**	(1.65)
Weighted average number of ordinary shares (in million)	**132.21**	121.3	**130.45**	124.21
6(b) On a fully diluted basis (in cents)	**0.06**	(1.75)*	**0.16**	(1.65)*
Weighted average number of ordinary shares (in million)	**132.21**	149.1	**130.45**	152.05

***** As loss was recorded for 2H2019 and FY2019, the dilutive potential shares from convertible securities outstanding at the end of the financial periods were anti-dilutive and hence no changes were made to the dilutive loss per share.

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 Jul 2020	31 Jul 2019	**31 Jul 2020**	31 Jul 2019
Net asset value per ordinary share based on issued share capital at the end of the financial period / year (in cents)	**11.22**	8.08	**3.17**	(0.07)

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

	2nd Half ended (6 months)				Full year ended (12 months)			
Business Activity	**31 Jul 20**	31 Jul 19	**+ / (-)**	+ / (-)	**31 Jul 20**	31 Jul 19	**+ / (-)**	+ / (-)
	S$'mil	S$'mil	**S$'mil**	%	**S$'mil**	S$'mil	**S$'mil**	%
Printing	1.76	3.51	(1.75)	(49.9%)	5.12	6.87	(1.75)	(25.5%)
Other revenue	0.02	0.02	-	-	0.25	0.05	0.20	400.0%
Total revenue	1.78	3.53	(1.75)	(49.6%)	5.37	6.92	(1.55)	(22.4%)

Printing Revenue for 2H2020 declined by S$1.75 million compared with 2H2019. This was mainly due to the Covid-19 outbreak and the consequent Circuit Breaker ("CB") which occurred during 2H2020. Although the Group's printing segment continued operations amid the CB period as an essential service, most of the Group's major clients were closed during the CB and therefore the resulting impact on revenue.

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

Total raw materials and consumables used and changes in inventories in 2H2020 was $0.61 million, a 56% decrease compared with 2H2019, in line with the decline in Revenue.

Other income

Other income substantially increased in 2H2020 compared with 2H2019. This was mainly due to the gain on liquidation of a subsidiary corporation and government grants to financially assist Singapore companies during the Covid-19 pandemic, such as the Jobs Support Scheme and 2 months' rental rebate.

Staff costs

Staff costs for 2H2020 was S$1.11 million, 51.3% lower than the S$2.32 million in 2H2019. In view of the economic downturn due to Covid-19, the Group did not propose any staff bonus or salary increments in 2H2020. In addition, the proposed staff bonus for the prior year was partially cancelled and written back to the accounts in 2H2020.

Depreciation

Depreciation charges for 2H2020 increased by 128.7% compared to 2H2019 mainly due to the Group's adoption of SFRS(I) 16 – Leases, which required the Group to recognise its leased premises as right-of-use asset in 2H2020 and its related depreciation charge in 2H2020 was S$0.21 million.

Impairment of financial assets

There was no significant increase in expected credit loss on financial assets, mainly trade and other receivables, arising from the Group's impairment assessment in 2H2020. As such, the Group's impairment allowance in 2H2020 was significantly lower compared to 2H2019.

Other operating expenses

The operating expenses for 2H2020 of S$0.3 million was 81.3% lower than the S$1.62 million in 2H2019, mainly due to the absence of i) the preliminary expenses for overseas property projects of S$0.90 million incurred in 2H2019; and ii) operating lease expense of S$0.21 million (due to adoption of SFRS(I) 16.

Share of results of an associated company

The Group's equity accounted for the results of its 10% stake in its associated company, Sheng Siong (China) Supermarket Co. Ltd.

The share of the associated company's results in 2H2020 was S$99,000, 519% more than the share recorded in 2H2019. The associated company continue to enjoy healthy growth in its revenue during 2H2020 as it continually build brand awareness amongst the consumers in Kunming, China.

Taxation

There was no taxation for the Group's current year results as the Group had unutilised prior years' tax losses and investment allowances available for set off against the current year's taxable income.

Non-controlling interests

Non-controlling interests increased significantly in 2H2020 compared to the previous corresponding period mainly due to the liquidation of a subsidiary corporation in 2H2020 which resulted in changes in ownership interests for the minority shareholders.

STATEMENT OF FINANCIAL POSITION

Plant and equipment

The Group's plant and equipment decreased by S$0.12 million in 2H2020, mainly due to the depreciation charge in 2H2020, offset by purchase of new equipment in 2H2020.

Right-of-use asset

The Group's occupied premises that were re-contracted with long lease periods in 2H2020 were recognised as right-of-use assets, upon the adoption of SFRS(I) 16 (see Para 5 in page 11).

Investment in an associate company

The investment in an associated company refers to the 10% interest that the Group holds in Sheng Siong (China) Supermarket Co., Ltd.

The carrying amount of the investment increased by S$0.1 million in 2H2020 mainly due to the share of the associated company's profit for 2H2020.

Inventories

There was no significant movement in the Group's inventory level in 2H2020.

Development properties

The Group's Development properties – property under construction, increased by S$0.57 million during 2H2020 mainly due to repayment of scheduled construction contract costs for Project Timor Marina Square, the architects having completed the development's structural, mechanical and engineering plan.

Development properties – land held for future development, increased by S$2.1 million during 2H2020 mainly due to the recognition of additional cost of land of S$2.1 million for the future lease rentals of the leasehold land, as a result of the Group's adoption of SFRS(I) 16 – Leases (see Para 5 in page 11).

Trade and other receivables

Trade receivables decreased by S$0.43 in 2H2020 mainly due to the normal collection cycle of trade receivables that were due in 2H2020.

Other receivables increased by S$0.14 million in 2H2020 mainly due to interest receivable for a secured loan provided to a minority shareholder for project Timor Marina Square.

Trade and other payables

Trade and other payables decreased by S$0.92 million in 2H2020 mainly due to the normal suppliers payment cycle and partly due to a write back of S$0.38 million for staff performance compensation, which was cancelled because of the unexpected economic downturn caused by the Covid-19 pandemic.

Lease liabilities

Lease liabilities increased by S$3.1 million in 2H2020, mainly due to the recognition of lease liabilities for its leased premises as right-of-use asset and additional cost arising on the future lease rentals for the land held for future development (Development properties), upon the adoption of SFRS (1) 16 (see Para 5 in page 11), partially offset by lease instalment payments in 2H2020.

REVIEW OF CASH FLOWS

The Group recorded a net cash inflow of S$4.85 million in 2H2020. This was mainly due to the receipt of share issuance proceeds, offset by repayments for lease liabilities and cash used in operating activities.

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 period 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

In spite of the intensifying challenges faced from the digital media front, the Group has persisted with its focus on upgrading current print technology and improving the range of products. As a result, the printing segment has been able to minimize the adverse impact brought about by the Covid-19 pandemic. Whilst the Group is hopeful that its revenue base will stabilize in time, it will continue to innovate and create even more value for its clients.

Construction for the Group's mixed property development project, Timor Marina Square ("TMS"), has unfortunately encountered a slight delay due to the global Covid-19 outbreak. Nevertheless, the architectural plans have since been completed and submitted to the Timor Building Authorities. However, the current global situation regarding air travel is still in a dire state and the Group feels that it would be more prudent to postpone the pre-sales launch to coincide with the easing or lifting of flight restrictions as the majority of our target market is foreign investors, specifically those from East Asia & South East Asia. As this is the first development project of this scale in Timor Leste, the Group is confident that both construction and sales processes will get back on track rapidly, especially with the vast support of the Timorese Government, once global air travel resumes.

The Group is also pleased to announce encouraging results from its smart food waste digester systems. Launched in early 2020, the in-house developed systems have since obtained its stamp of approval by the local authorities. The subsidiary, A-Smart Life Pte Ltd, has also been listed as one of the few authorized agents (endorsed by the Government) for waste recycling. This has led to many leads and enquiries, which precipitated 9 confirmed orders commissioning next month and several others, such as food manufacturers, central kitchens, buildings, shopping complexes and hotels etc., currently in advanced negotiations. With more companies being receptive towards green and sustainable practices, the Group is looking forward to further interests from more industries. Hence, it will be increasing its manpower for A-Smart Life and expecting it to contribute positively to the bottom line in the next financial year.

Apart from disrupting the world economies, the Covid-19 pandemic has also brought about a paradigm shift in terms of lifestyle habits, such as grocery shopping. The Group's associated company which currently operates two Sheng Siong supermarket stores in Kunming, China, is fortunately able to jump on the bandwagon and enjoy healthy profits as well as the gradual expansion of the chain of supermarket stores. The associated company seeks to continue its approach of promoting the "Singapore Brand", which is widely perceived to be superior, locally.

The Group's new business segments have shown promising results and 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 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 the future expansion of the Group's business.

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 16 of the Company's results announcement for 2Q2020, 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	**557**
Less utilisation:	
Investment	
• Development property – schedule construction contract costs	**(483)**
Total net proceeds balance from the Placement	**74**

b) The Company raised total net proceeds of S$8,201,000 from the issuance of i) 8,950,000 new shares pursuant to the exercise of 8,950,000 Share Warrants by the warrant holder on 15 February 2019; and ii) 20,336,000 new shares pursuant to the exercise of 20,336,000 Share Warrants by the warrant holder on 20 July 2020. To-date the net proceeds have not been utilised.

15 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.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16 Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business Segments

Revenue and expenses

	Print media		Smart technologies		Property		Corporate and others		Eliminations		Consolidated Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Sales to external customers	**5,118**	6,871	**42**	45	**-**	-	**205**	4		-	**5,365**	6,920
Inter-segment sales	**32**	43	**-**	-	**-**	-	**-**	68	**(32)**	(111)	**-**	-
Total revenue	**5,150**	6,914	**42**	45	**-**	-	**205**	72	**(32)**	(111)	**5,365**	6,920
Segment results	**1,066**	269	**8**	(301)	**168**	(923)	**(1,057)**	(1,372)	**(32)**	(80)	**153**	(2,407)
Finance costs	**(51)**	(53)	**-**	-	**-**	-	**(5)**	(7)	**-**	-	**(56)**	(60)
Share of profit/(loss) of an associated company											**113**	(20)
Profit/ (loss) before taxation											**210**	(2,487)
Income tax											**-**	-
Net loss for the year											**210**	(2,487)

Assets and liabilities

	Print media		Smart technologies		Investment		Property		Corporate and others		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Segment assets	**3,566**	3,040	**323**	366	**1,348**	1,235	**7,245**	4,201	**796**	1,105	**13,278**	9,947
Unallocated assets											**8,884**	4,910
Total assets											**22,162**	14,857
Segment liabilities	**520**	1,224	**14**	27	**687**	687	**355**	1,379	**234**	413	**1,810**	3,730
Income tax payable											**21**	21
Deferred tax liabilities											**-**	-
Unallocated liabilities											**3,613**	710
Total liabilities											**5,444**	4,461

Other segment information

	Print media		Smart technologies		Investment		Property		Corporate and others		Consolidated Total	
	2020	2019	**2020**	2019	**2020**	**2019**	2020	2019	**2020**	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000	**$'000**	**$'000**	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Capital expenditure – plant and equipment	**89**	131	**-**	-	**-**	-	**-**	-	**-**	142	**89**	273
Depreciation of plant and equipment	**317**	305	**-**	-	**-**	-	**-**	-	**30**	42	**347**	347
Depreciation of right-of-use asset	**213**	-	**-**	-	**-**	-	**-**	-	**-**	-	**213**	-
Interest expense	**51**	53	**-**	-	**-**	-	**-**	-	**5**	7	**56**	60
(Gain)/ loss on disposal of plant and equipment	**(3)**	17	**-**	-	**-**	-	**-**	-	**-**	-	**(3)**	17
Impairment loss on financial assets	**1**	29	**-**	-	**-**	-	**-**	-	**-**	185	**1**	214
(Gain on liquidation)/ loss on disposal of subsidiary corporations	**-**	49	**-**	-	-	-	**(116)**	-	-	105	**(116)**	154
Preliminary expenses (recovered)/ incurred for overseas property projects	**-**	-	**-**	-	**-**	-	**(137)**	897	**-**	-	**(137)**	897

Geographical Segments

	Revenue from external customers		Segment assets		Capital expenditure	
	2020	2019	**2020**	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Singapore	**5,362**	6,914	**14,467**	10,199	**89**	273
Timor-Leste	**-**	-	**7,245**	4,282	**-**	-
Others	**3**	6	**450**	376	**-**	-
	5,365	6,920	**22,162**	14,857	**89**	273

17 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to item 8 of this announcement.

18 Breakdown of sales

		Group		
		Consolidated Total		
		1 Aug 2019 to 31 Jul 2020	1 Aug 2018 to 31 Jul 2019	Increase/ (decrease)
		$'000	$'000	
(a)	Sales reported for first half year	**3,593**	3,394	5.9%
(b)	Operating profit/ (loss) after tax before deducting minority interests reported for the first half year	**124**	(365)	118.6%
(c)	Sales reported for second half year	**1,772**	3,526	(49.7%)
(d)	Operating profit/ (loss) after tax before deducting minority interests reported for the second half year	**86**	(2,122)	103.4%

19 A breakdown of the total annual dividend (in dollar value) for the issuer latest full year and its previous full year

Not applicable. None.

20 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Not applicable. None.

BY ORDER OF THE BOARD

Lim Huan Chiang
Executive Director and Chief Executive Officer
28 September 2020