



A-Smart Holdings Ltd.

(Registration No. 199902058Z)

**UNAUDITED RESULTS FOR THE
FIRST HALF (6 MONTHS) ENDED
31 JANUARY 2024**

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PART I – INFORMATION REQUIRED FOR HALF-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		
Note	31-Jan-24	31-Jan-23	Increase / (decrease)
	<u>\$'000</u>	<u>\$'000</u>	%
Revenue	3,455	2,798	23.5%
Other income	1(e)(vi) 94	67	40.3%
Total Revenue	3,549	2,865	23.9%
Costs and expenses			
Changes in inventories	12	(18)	-166.7%
Inventories used	(2,059)	(1,222)	68.5%
Staff costs	(1,481)	(1,059)	39.8%
Depreciation	(438)	(338)	29.6%
Foreign currency loss	(3)	8	-137.5%
Other operating expenses	1(e)(vi) (343)	(275)	24.7%
Finance costs	1(e)(vi) (17)	(6)	183.3%
Share of profit of an associated company	2	95	-97.9%
(Loss)/profit before taxation	(778)	50	-1656.0%
Income tax *	-	-	-
Net (loss)/profit for the period	(778)	50	-1656.0%
Attributable to:			
Equity holders of the parent	(780)	50	-1660.0%
Non- controlling interests	2	-	n.a.
Net (loss)/profit for the period	(778)	50	-1656.0%

* Less than S\$1,000

1(a)(ii) 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		
	31-Jan-24	31-Jan-23	Increase/ (Decrease)
	\$'000	\$'000	%
Net (loss)/profit for the period	(780)	50	-1660%
Other comprehensive loss:			
Items that may be classified subsequently to profit or loss:			
Translation differences arising from translation of foreign operations	7	(150)	-105%
Translation differences arising on monetary items forming part of net investments in foreign operations (*)	84	(261)	-132%
	91	(411)	-122%
Items that will not be classified subsequently to profit or loss:			
Translation differences arising from translation of foreign operations	-	(5)	n.a.
Other comprehensive loss for the period	91	(416)	-122%
Total comprehensive loss for the period	(689)	(366)	88%
Total comprehensive loss attributable to:			
Equity holders of the parent	(691)	(366)	89%
Non-controlling interests (**)	2	-	n.a.
Total comprehensive loss for the period	(689)	(366)	88%

* Foreign exchange translation differences arising from the Group's intra-company loans denominated in USD.

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-Jan-24	31-Jul-23	31-Jan-24	31-Jul-23
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Plant and equipment	1,931	2,369	151	174
Long-term loans to subsidiary corporations	-	-	11,853	11,370
Investments in subsidiary corporations	-	-	6,028	6,028
Investment in an associated company	809	889	-	-
	2,740	3,258	18,032	17,572
Current assets				
Amounts due from subsidiary corporations				
- trade		-	312	201
- non-trade		-	387	548
Inventories	295	283	-	-
Development properties				
- land under development	12,465	8,079	-	-
Development properties				
- land held for future development	3,738	3,693	-	-
Trade receivables	1,432	2,011	-	-
Other receivables	3,716	3,793	2,439	2,465
Financial asset – at FVPL	45	45	45	45
Cash and cash equivalents	2,640	7,053	303	1,057
	24,331	24,957	3,486	4,316
Total assets	27,071	28,215	21,518	21,888
Equity attributable to equity holders of the parent				
Share capital	152,644	152,644	152,644	152,644
Other reserves	(71)	(182)	57	57
Accumulated losses	(133,373)	(132,497)	(135,475)	(135,037)
	19,200	19,965	17,226	17,664
Non-controlling interests	136	142		
Total equity	19,336	20,107	17,226	17,664
Non-current liabilities				
Lease liabilities	2,735	2,969	15	19
Provision for reinstatement costs	30	30	-	-
	2,765	2,999	15	19
Current liabilities				
Amounts due to subsidiary corporations				
- trade	-	-	48	5
- non-trade	-	-	4,089	4,037
Lease liabilities	569	591	12	13
Trade and other payables	4,401	4,518	128	150
	4,970	5,109	4,277	4,205
Total liabilities	7,735	8,108	4,292	4,224
Total equity and liabilities	27,071	28,215	21,518	21,888

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 Jan 2024		As at 31 Jan 2023	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
18	-	68	-

Amount repayable after one year:

As at 31 Jan 2024		As at 31 Jan 2023	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
2,075	660	2,101	-

Details of any collateral:

Secured borrowings at 31 Jan 2024 mainly refer to the following:

- a. Lease liabilities amounting to S\$32,000 secured by the motor vehicles and machinery purchased under finance leases; and
- b. Lease rentals of S\$2.06 million secured by development properties – land held for future development, that has a carrying value of S\$3.74 million at 31 Jan 2024.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Note	Group	
	6 Months Ended	
	31-Jan-24	31-Jan-23
	\$'000	\$'000
Cash flows from operating activities		
Operating (loss)/profit before working capital changes	(368)	265
Changes in working capital:		
Inventories	(12)	(18)
Development properties	(4,324)	(555)
Trade and other receivables	697	603
Trade and other payables	(117)	(358)
Cash used in operations	(4,124)	(63)
Income tax *	-	-
Cash flows used in operating activities	(4,124)	(63)
Investing activities		
Interest received	4	9
Dividend received from unquoted investment	21	-
Purchase of plant and equipment	-	(157)
Cash flows used in investing activities	25	(148)
Financing activities		
Interest paid	(17)	(6)
Repayment of lease liabilities	(272)	(358)
Cash flows used in financing activities	(289)	(364)
Net decrease in cash and cash equivalents	(4,388)	(575)
Cash and cash equivalents at beginning of the period	7,053	6,003
Effects of currency translation on cash and cash equivalents	(25)	(88)
Cash and cash equivalents at end of the period (a)	2,640	5,340

* Amount less than S\$1,000

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

Note	Group	
	6 Months Ended	
	31-Jan-24	31-Jan-23
	\$'000	\$'000
Reconciliation between profit from operations before taxation and operating cash flows before changes in working capital:		
(Loss)/profit from operations before taxation	(780)	50
Adjustments for:		
Dividend income	(21)	-
Interest expense	17	6
Interest income	(31)	(35)
Depreciation	438	338
Share of profit of an associated company	(2)	(94)
Unrealised currency translation losses	11	-
Operating profit before working capital changes	(368)	265

Explanatory notes to the consolidated cash flow statement

Note:

(a) Cash and cash equivalents comprise the following:

	31 Jan 2024	31 Jul 2023
	\$'000	\$'000
Cash at bank and in hand	2,640	7,053
Fixed deposits	-	-
Cash and cash equivalents in the cash flow statement	2,640	7,053

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 S\$'000	Share Option Reserve S\$'000	Currency translation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
At 1 August 2023	152,644	57	(239)	(132,497)	19,965	142	20,107
Cumulative adjustment to the share of associate's profit reserves due to the associated company's adoption of SFRS (I)16 - See *	-	-	14	(96)	(82)	-	(82)
Total comprehensive income for the financial period							
<i>Profit for the financial period</i>	-	-	-	(780)	(780)	2	(778)
<i>Other comprehensive loss</i>							
Translation differences arising from translation of foreign subsidiaries	-	-	97	-	97	(8)	89
Total other comprehensive loss	-	-	97	-	97	(8)	89
Total comprehensive loss for the financial period	-	-	97	(780)	(683)	(6)	(689)
At 31 January 2024	152,644	57	(128)	(133,373)	19,200	136	19,336
At 1 August 2022	147,360	25	92	(132,610)	14,867	152	15,019
Total comprehensive income for the financial period							
<i>Profit for the financial period</i>	-	-	-	50	50	-	50
<i>Other comprehensive loss</i>							
Translation differences arising from translation of foreign subsidiaries	-	-	(416)	-	(416)	-	(416)
Total other comprehensive loss	-	-	(416)	-	(416)	-	(416)
Total comprehensive income/(loss) for the financial period	-	-	(416)	50	(366)	-	(366)
At 31 January 2023	147,360	25	(324)	(132,560)	14,501	152	14,653

* The adjustment to the associated company's prior years' profit reserves, resulting from the adoption of SFRS(I)16, did not have a significant impact on the Group's financial statements when assessed individually for each past financial year. The impact of the cumulative adjustments made by the associated company, considering only the Group's 10% shareholding in the associate, was to reduce the share of the associate's post-acquisition profits by S\$96,000. This was partially offset by the related foreign exchange difference of S\$14,000, resulting in a net impact of S\$82,000 on the Group's Investment in the associate.

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 2023	152,644	57	(135,036)	17,665
Total comprehensive loss for the period	-	-	(439)	(439)
At 31 January 2024	152,644	57	(135,475)	17,226
At 1 August 2022	147,360	25	(133,773)	13,612
Total comprehensive loss for the period	-	-	(731)	(731)
At 31 January 2023	147,360	25	(134,504)	12,881

1(e) Notes to the condensed interim consolidated financial statements

i. Corporate information

A-Smart Holdings Ltd (the “Company”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at 31 Jan 2024 and for the 6 months from 1 August 2023 to 31 Jan 2024 respectively, comprise the Company and its subsidiaries (collectively, the Group). The primary activities of the Company are those relating to long term investment holding.

The principal activities of the Group are:

- (a) Property development and real estate investment; and
- (b) Smart technologies; and
- (c) Print and media; and
- (d) Other investments.

ii. Basis of preparation

The condensed interim financial statements for the six months (first half ending 31 Jan 2024 or 1H2024) have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 July 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Section 5 on page 14.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

iii. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 July 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements, assumptions and estimation uncertainties that have the most significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are:

- Impairment of non-financial assets – property, plant and equipment, investment in subsidiaries, and investment in associated company; and
- Useful lives of property, plant and equipment; and
- Impairment of trade and other receivables.

iv. Seasonal operations

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period.

1(e) Notes to the condensed interim consolidated financial statements (Cont'd)

(v) Segment and revenue information

(v.1) Business Segments

For 6 months ending 31 January

	Print and Media		Property		Corporate and others		Smart technologies		Eliminations		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and expenses												
Sales to external customers	3,401	2,378	-	-	-	-	54	420	-	-	3,455	2,798
Inter-segment sales	49	-	-	-	-	-	-	-	(49)	-	-	-
Total revenue	3,450	2,378	-	-	-	-	54	420	(49)	-	3,455	2,798
Segment results	(94)	322	10	2	(513)	(417)	(166)	54	-	-	(763)	(39)
Finance costs											(17)	(6)
Share of profit of an associated company											2	95
(Loss)/profit before taxation											(778)	50
Income tax											-	-
Net (loss)/profit for the year											(778)	50
Assets and liabilities												
Segment assets	3,460	1,895	17,085	8,330	3,445	2,313	441	716	-	-	24,431	13,254
Unallocated assets											2,640	5,340
Total assets											27,071	18,594
Segment liabilities	846	519	3,379	340	133	845	74	68	-	-	4,432	1,772
Current income tax liabilities											-	-
Unallocated liabilities											3,303	2,169
Total liabilities											7,735	3,941

1(e) Notes to the condensed interim consolidated financial statements (Cont'd)

(v.2) Other segment information

	Print and media		Property		Corporate and others		Smart technologies		Eliminations		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
For 6 months ending 31 January												
Capital expenditure – plant and equipment	-	157	-	-	-	-	-	-	-	-	-	157
Depreciation of property, plant and equipment	412	312	-	-	23	23	3	3	-	-	438	338
Interest expense	-	1	-	-	17	5	-	-	-	-	17	6

	Revenue from external customers		Segment assets		Capital expenditure	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
For 6 months ending 31 January						
<u>Geographical Segments</u>						
Singapore	3,455	2,798	8,410	8,237	-	157
China	-	-	844	1,555	-	-
Timor-Leste	-	-	17,337	8,330	-	-
Others	-	-	480	472	-	-
	3,455	2,798	27,071	18,594	-	157

1(e) Notes to the condensed interim consolidated financial statements (Cont'd)

(v.3) Disaggregation of Revenue

For 6 months ending 31 January	Print and media		Smart technologies		Property		Corporate and others		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Type of goods or service:										
Sale of goods	-	-	-	381					-	381
Services rendered	3,401	2,378	54	39					3,455	2,417
Total revenue	3,401	2,378	54	420	-	-	-	-	3,455	2,798
Timing of revenue recognition:										
At a point in time	3,401	2,378	-	381	-	-	-	-	3,401	2,759
Over time	-	-	54	39	-	-	-	-	54	39
Total revenue	3,401	2,378	54	420	-	-	-	-	3,455	2,798
Geographical information:										
Singapore	3,401	2,378	54	420	-	-	-	-	3,455	2,798
Timor-Leste	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
	3,401	2,378	54	420	-	-	-	-	3,455	2,798

1(e) Notes to the condensed interim consolidated financial statements (Cont'd)

(vi) Profit before taxation - significant items

	6 MONTHS ENDED	
	31-Jan-24	31-Jan-23
	\$'000	\$'000
Other income		
Rental income	35	20
Government grants	7	18
Interest income	31	35
Dividend income	21	-
	94	67
Finance costs		
Interest on finance lease	(17)	(6)
	(17)	(6)
Other expenses include:		
Legal, professional and compliance expenses	(122)	(79)
Repair and maintenance of equipment	(21)	(26)
Utilities	(75)	(69)
Upkeep of motor vehicles	(36)	(24)

1(f) (i) Trade and other receivables

	Group 31 Jan 2024 S\$'000	Group 31 Jul 2023 S\$'000
Trade receivables – classified by age		
Current	467	967
30 days old	281	379
60 days old	146	62
90 days old	65	312
180 days old	161	102
Between 180 and 360 days old	147	15
> 360 days old	165	174
Trade receivables – Non-related parties	1,432	2,011
Other receivables		
Sundry receivables – non-related parties ^(a)	1,438	1,519
Interest receivables – Related party ^(b)	243	217
Amount held in trust by a director ^(c)	688	688
Receivable from disposal of subsidiary corporations ^(d)	350	350
Deposits ^(e)	801	756
	3,520	3,530
Advance payment to suppliers	50	126
Prepayments	146	137
Total other receivables	3,716	3,793

- (a) Included in sundry receivables – non-related parties include advances of S\$1,330,000 (31 Jul 2023: S\$ 1,330,000) to a local partner in Timor-Leste for the purpose of exploring and bidding for Timorese government land projects. The advances are refundable to the Group by the local partner in the event no successful bids are obtained within the twelve months from April 2023. The Group is currently negotiating a bid for a government project in Timor-Leste and will make the appropriate announcement/s in due time.
- (b) The interest receivable from a local partner cum minority shareholder of the Group's subsidiary, Timor Marina Square S.A., were accrued from working capital contribution due from the local partner but advanced by A-Smart on behalf. The local partner originally held a 60 year lease on the land for project Timor Marina Square, and in relinquishing the lease on the land in order for the consortium (which the Group owns 79%) to purchase the land, the consortium had agreed to compensate the local partner 10% and 12% of the completed properties of Timor Marina Square and Timor City Square in Timor-Leste, respectively upon completion of the property developments. The interest receivable from the local partner will be deducted from the compensation amount when settlement takes place on completion of the Timor Marina Square project estimated in 2026.
- (c) The amount held in trust for the Company by a director is held in a bank account in Kunming, China, for the purpose of meeting the balance capital contribution committed for the Group's investment in an associated company, Sheng Siong (China) Supermarket Co. Ltd. The amount is unsecured, interest-free and is repayable on demand by the Company.
- (d) The amount receivable from disposal of subsidiary corporations refers to the balance of proceeds due from the disposal of the former subsidiary corporations. Management has assessed that no ECL is required as the party is continually making repayments to the Group.
- (e) Deposits include performance guarantee deposits of USD 350,000 or S\$469,000 equivalent (31 Jul 2023: USD 350,000 or S\$465,500 equivalent) that were paid to the local partner for the Group's development properties in Timor-Leste to guarantee the performance obligations under the Contract granting Superficie Rights (the "Contract") entered by the Group in June 2019. These deposits will be refunded by the local partner upon completion of the development properties. Similar to the repayment arrangements in note (b), these amounts will be deducted from the compensation payable to the local partner upon completion of the Timor Marina Square and Timor City Square development projects, estimated in 2026 and 2027 respectively.

Other than these performance guarantee deposits, the Group has S\$243,400 (31 Jul 2023: S\$243,400) of deposits held with the landlord of its Singapore leasehold office and factory premises.

1(f) (ii) Trade and other payables

	Group 31 Jan 2024 S\$'000	Group 31 Jul 2023 S\$'000
<u>Trade payables – due to suppliers in the ordinary course of business</u>	333	615
<u>Other payables</u>		
Working capital loan due to non-controlling interests	3,328	3,302
Accruals for operating expenses	553	412
Accrued directors' fees	44	88
Deposits received from customers	143	101
	4,068	3,903
	4,401	4,518

1(g)(i) 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.

Ordinary shares

During the 6 months or first half ended 31 Jan 2024 ("1H2024"), the Company did not issue any new ordinary shares (1H2023: nil).

As at 31 Jan 2024, there were no subsidiary holdings.

Share options

At 31 Jan 2024, there were 1,869,500 share options outstanding and unexercised (31 Jan 2023: 1,509,000 share options outstanding).

1(g)(ii) 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 Jan 2024 was 178,874,835 (31 Jan 2023: 149,062,362). There were no treasury shares held by the Company at 31 Jan 2024 (31 Jan 2023: Nil).

1(g)(iii) 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(g)(iv) 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 Section 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 2023.

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 various new accounting standards and interpretations of accounting standards for the first time for the annual period beginning on 1 August 2023. The application of these standards and interpretations did not have a material effect on the condensed interim financial statements.

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

(Loss)/earnings per ordinary share of the Group, after deducting any provision for preference dividends:	Group	
	2nd Half (6 Months)	
	31 Jan 2024	31 Jan 2023
6(a) Based on the weighted average number of ordinary shares on issue (in cents)	(0.43)	0.03
Weighted average number of ordinary shares (in million)	178.87	149.06
6(b) On a fully diluted basis (in cents)	(0.43)	0.03
Weighted average number of ordinary shares (in million)	178.87	150.57

* As loss was recorded for 1H2024, the dilutive potential shares from convertible securities outstanding at the end of 1H2024 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 Jan 2024	31 Jul 2023	31 Jan 2024	31 Jul 2023
Net asset value per ordinary share based on issued share capital at the end of the financial period / year (in cents)	10.81	11.24	9.63	9.88

Net asset value per ordinary share as at 31 Jan 2024 is calculated based on the existing issued share capital of 178,874,835 ordinary shares outstanding as at 31 Jan 2024 (31 Jul 2023: 178,874,835).

- 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	First Half ended (6 months)			
	31 Jan 24	31 Jan 23	+ / (-)	+ / (-)
	S\$’mil	S\$’mil	S\$’mil	%
Printing and media	3.40	2.38	1.02	42.8
Smart Technologies	0.05	0.42	(0.37)	(88.1)
Total revenue	3.45	2.80	0.7	23.2

Revenue for 1H2024 improved by 23.2% compared with 1H2023 mainly due to an increase in media events organized by the Group in 1H2024, such as the Chinatown mid-autumn festival and Purple Phoenix Orchestra performance.

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

In 1H2024, the use of raw materials and consumables, including inventory changes, increased by 65.0% compared to the same period in 2023. This increase was mainly driven by higher subcontracting costs and the need to outsource certain peripheral services for the print and media division.

Other income

Other income increased by 40.3% in 1H2024 compared with 1H2023 mainly due to higher rental income and dividend income received.

Staff costs

Staff costs in 1H2024 amounted to S\$1.48 million, a 39.8% increase from the same period in 2023. The higher staff costs in 1H2024 were mainly due to the payment of employee bonuses in the first half of 2024, whereas there were no employee bonuses in 1H2023.

Depreciation

Depreciation charges for 1H2024 rose by 29.6% compared to the same period in 2023. This increase was mainly caused by a higher depreciation amount on the Group’s right-of-use assets (factory and office leases). These leases were renewed for a three-year term in February 2023 at a higher monthly rent.

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 1H2024.

Other operating expenses

Other operating expenses were 24.7% higher for 1H2024 compared to 1H2024, mainly due to

an increase in legal and professional expenses incurred in 1H2024.

Finance costs

Finance costs for 1H2024 were 183.3% higher compared with 1H2023 due to the higher rental rate of the Group's leased premises that were renewed in February 2023.

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 ("SSC").

The associated company achieved breakeven in 1H2024 compared with the Group's share of its profit amounting to S\$95,000 in the same period last year, as startup costs and overheads for new store openings weighed down on the chain's profits in 1H2024.

Taxation

There was no taxation for the Group's current year results as the Group utilises group tax relief from loss-making subsidiaries against profitable subsidiaries' current year's taxation.

Net loss

In summary, the Group made a loss of S\$0.78 million in 1H2024 compared to net profit of S\$0.05 million in the same period last year mainly due to lower gross profit margin, increased staff costs, higher depreciation on right-of-use assets, and lower share of associate's profits.

STATEMENT OF FINANCIAL POSITION

Plant and equipment

The Group's plant and equipment decreased by S\$0.44 million in 1H2024, mainly due to the depreciation charge in 1H2024.

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 associate has made retrospective adjustments to its profit and reserves because of the adoption of SFRS(I)16. This standard requires the recognition of lease liabilities for the chain stores' leased premises. The cumulative effect of such adjustments was to reduce the Group's investment in associate and profit reserves by S\$82,000 respectively.

Inventories

There were no significant increase in the Group's inventory level in 1H2024.

Development properties

The Group's Development properties – property under construction, increased by S\$4.39 million during 1H2024 mainly due to repayment of progress billings as construction progresses.

Development properties – land held for future development, increased by S\$0.05 million during 1H2024 mainly due to exchange rate translation differences.

Trade and other receivables

The Group's trade receivables declined by S\$0.58 million in 1H2024 due to trade receipts from customers. There was no significant variance in the Group's other receivables between FY2023 and 1H2024. Refer to note 1(f)(i) on page 14 for details.

Trade and other payables

The Group's trade and other payables declined by S\$0.12 million in 1H2024 mainly due to repayment of trade payables to suppliers. Refer to note 1(f)(ii) on page 14 for details.

Lease liabilities

Lease liabilities decreased by S\$0.26 million in 1H2024, mainly due to lease instalment repayments in 1H2024 and partly due to exchange translation differences.

REVIEW OF CASH FLOWS

The Group recorded a net cash outflow of S\$4.39 million in 1H2024. This was mainly due to S\$4.1 million used in operating activities and S\$0.29 million used to repay lease liabilities.

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

Print and media

The printing segment is facing increasing cost pressures from its outsourced services and subcontractors. To mitigate these challenges, the Group is adopting various measures, such as sourcing from more suppliers for competitive pricing and considering new investments in machinery to boost in-house production and reduce reliance on outsourced partners.

Additionally, the Group is actively planning to organize more indoor performances and outdoor events, such as the Lakeside Lantern Festival and Chinatown Mid-Autumn Festival light-up, in 2024.

Smart technologies

The requirement mandated by the Singapore authorities to begin segregating food waste for proper treatment, originally set for 1 January 2024, has been postponed. The postponement was intended to provide affected buildings additional time to devise and refine their waste treatment strategies. This, in turn, has led to many buyers delaying their purchasing decisions.

Despite this new legislative development, the Group is continuously devising strategies to enhance its existing system and streamline processes. Concurrently, the Group is conducting its own research and development to create other environmentally friendly and sustainable products and is venturing into new business sectors.

The Group firmly believes that this business segment will contribute positively to the country's conservation efforts towards a more sustainable future.

Property development

The Group's property under development in Timor-Leste, Project Timor Marina Square, is still under progress.

The piling and foundation works for Timor Marina Square (the "Project") are currently 70% complete. The substructure works are scheduled to commence around mid-May 2024, upon the expected completion of the piling and foundation works.

The development, which is 79% owned by the Group, will yield more than 25,000 square meters of saleable floor area and an estimated gross development value of between US\$80 million to US\$85 million (approximately S\$111 million to S\$118 million).

Early signs of interest from many prospective investors have been forthcoming, including those seeking to make bulk purchases. The Group will provide updates to shareholders upon reaching significant milestones in its sales effort.

The Group has also commenced the planning phase for Project Timor City Square, another property development company 79% owned by the Group in Timor-Leste, envisioning low-cost, low-rise apartment buildings to cater quality accommodation options to the middle-class workers community within the central business district of Dili. The attractiveness of the development will be enhanced by adding retail spaces at the ground level.

The Group is also actively exploring new opportunities for commercial real estate development in Dili. This includes regular engagements with the Timorese government regarding various state land within the city to identify potential sites that align with our development objectives. We are keen on expanding our footprint and contributing to the growth and vibrancy of the commercial real estate landscape in Dili.

Long-term investments – associated company

The Group's associated company, Sheng Siong China (SSC), now has six operational Sheng Siong supermarket stores in Kunming, China. SSC would be maintaining the strategy of gradually expanding the chain of supermarket stores, while promoting the "Sheng Siong" brand across the entire China market.

The stores continue to generate healthy revenue amidst growing consumer awareness of the Sheng Siong brand in Kunming.

Summary

The Board is confident that the Group's restructuring will make a positive impact, especially as we work to accelerate the construction progress of our first property development project, which was significantly delayed by the Covid-19 pandemic. Additionally, the Group will capitalise on research and development advancements to increase market share and fortify its revenue base, prioritizing environmentally friendly operations. Leveraging its first-mover advantage in Timor-Leste, the Group is optimistic about its long-term prospects in real estate development in Timor-Leste. It will remain dedicated to developing these new income streams to ensure long-term profitability.

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 as the Group has recorded a net loss for 1H2024.

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

Further to the disclosure in page 39 of the Company’s annual report for FY2023, the total net proceeds of S\$5,284,000 from the share placement of 29,812,473 ordinary shares in March 2023 were further utilised as follows:

	Use of Proceeds from Share Placement (S\$'000)
Balance proceeds from the last announced (page 39 of the Company’s annual report for FY2023)	1,682
Less utilisation:	
<u>Investment</u>	
• Working capital loan for property development costs	(268)
Total net proceeds balance from the Placement	1,414

15 Confirmation by the Board

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to its attention of which may render the interim financial statement for the financial period ended 31 January 2024 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
14 March 2024