SEVAK
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Third Quarter Financial Statements and Dividend announcement for the period ended 30 September 2019 (Unaudited)

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year:

	Quarter ended 30 Sep		%	Nine months ended 30 Sep		%
	2019	2018		2019	2018	
	S$'000	S$'000	Change	S$'000	S$'000	Change
Turnover (Note 1)	79,123	68,430	15.6%	210,485	211,290	-0.4%
Purchases and changes in inventories and direct service fees incurred (Note 2)	(71,995)	(61,831)	16.4%	(190,674)	(190,907)	-0.1%
Commissions and other selling expenses (Note 3)	(98)	(67)	46.3%	(223)	(222)	0.5%
Other income - operating (Note 4)	106	72	47.2%	377	440	-14.3%
Operating expenses (Note 5)	(6,440)	(6,373)	1.1%	(19,774)	(19,764)	0.1%
Other income - non operating (Note 13)	10	446	N.M.	2,032	4,198	-51.6%
Other expenses - non operating	(10)	(4)	N.M.	(9)	-	N.M.
Interest income from deposits (Note 15)	115	114	0.9%	394	330	19.4%
Finance costs (Note 16)	(97)	(72)	34.7%	(250)	(411)	-39.2%
Depreciation of property, plant and equipment (Note 17)	(384)	(305)	25.9%	(1,185)	(919)	28.9%
Amortisation of intangible assets (Note 17)	(6)	(1)	N.M.	(18)	(4)	N.M.
Profit / (Loss) before taxation						
From continuing operations*	324	409	-20.8%	1,155	4,031	-71.3%
From discontinued operations (Note 18)	-	39	-100.0%	(15)	(45)	-66.7%
Profit before taxation	324	448	-27.7%	1,140	3,986	-71.4%
Taxation						
From continuing operations	(79)	(143)	-44.8%	(183)	(519)	-64.7%
From discontinued operations (Note 18)	-	-	-	-	-	-
Taxation (Note 19)	(79)	(143)	-44.8%	(183)	(519)	-64.7%
Net Profit / (Loss) after tax for the period						
From continuing operations*	245	266	-7.9%	972	3,512	-72.3%
From discontinued operations	-	39	-100.0%	(15)	(45)	-66.7%
Net Profit after tax	245	305	-19.7%	957	3,467	-72.4%
Profit attributable to:						
Owners of the parent	245	305	-19.7%	955	3,467	-72.5%
Non-controlling interest (Note 20)	-	-	-	2	-	N.M.
Total	245	305	-19.7%	957	3,467	-72.4%

** Please also refer to note 14*

Note 1

Turnover

	Quarter ended 30 Sep		%	Nine months ended 30 Sep		%
	2019	2018		2019	2018	
	S$'000	S$'000	Change	S$'000	S$'000	Change
Distribution of operator products and services	64,992	59,463	9.3%	175,631	181,466	-3.2%
ICT distribution and managed services	13,789	8,618	60.0%	33,758	28,586	18.1%
Battery Electric Vehicles (BEVs)	342	349	-2.0%	1,096	1,238	-11.5%
Total (Note 2)	**79,123**	**68,430**	**15.6%**	**210,485**	**211,290**	**-0.4%**

Note 2

Revenue from Distribution of Operator products and services in Indonesia grew by 9.3% during third quarter (Q3 2019) and declined by 3.2% during first nine months (9M 2019) ended 30 September 2019 of current financial year (FY 2019) against corresponding quarter (Q3 2018) and nine months (9M 2018) ended 30 September 2018 of preceding financial year (FY 2018) respectively. The Group continues to be diligent and has been successfully working with the operators to align with their strategies to cross over the transition of voice to data and disruption due to technology based other distribution channels, thereby progressively arresting the decline in revenue. With these actions, the Group has been successful in securing newer business territories from one of the telecom operators and also expansion of its existing business territory by one of them. After many quarters, Group's Indonesia operations have registered growth in its revenue during Q3 2019. The Group also continues to sell multi-brand, MNC mobile devices through its own retail shops in Indonesia, as this aids in business of Distribution of Operator products and services. Revenue from ICT distribution and managed services, also being projects driven business, registered an increase of 60% during Q3 2019 and 18.1% during 9M 2019 over corresponding Q3 2018 and 9M 2018 respectively. Cavu group engaged in ICT distribution and managed services also executed a relatively bigger project during Q3 2019. To retain and grow margins, the subsidiaries engaged in this business also continue to be focusing more on services led business. Visible drop in revenue in business of BEVs has primarily been on account of shift from employment model to rental model in main, since 4th quarter of FY 2018. Correspondingly, there has been change in "Purchases and changes in inventories and direct services fee incurred".

Note 3

The commissions and other selling expenses were mainly related to ICT distribution & managed services and sale of mobile devices.

Note 4

Other income - operating mainly included rentals from certain properties, Government subsidy, rebate/incentive from principals, infrastructure support services fee and write back of certain liabilities/accruals in past, no longer required.

Note 5

The operating expenses included the following:

	Quarter ended 30 Sep		%	Nine months ended 30 Sep		%
	2019	2018		2019	2018	
	S$'000	S$'000	Change	S$'000	S$'000	Change
Personnel costs (Note 6)	(4,114)	(3,922)	4.9%	(12,275)	(12,530)	-2.0%
Infrastructure costs (Note 7)	(587)	(696)	-15.7%	(1,788)	(1,914)	-6.6%
Marketing expenses (Note 8)	(294)	(389)	-24.4%	(1,093)	(914)	19.6%
Other expenses - operating (Note 9)	(1,445)	(1,366)	5.8%	(4,618)	(4,406)	4.8%
Total operating overheads	**(6,440)**	**(6,373)**	**1.1%**	**(19,774)**	**(19,764)**	**0.1%**

Note 6

There has been increase in manpower cost during Q3 2019, largely due to increase in cost of Affinity group, primarily due to operator driven manpower requirement/planning and ICT Distribution & managed services. The increase has partially been offset by decrease in case of BEVs due to shift from employment model to rental model.

Note 7

The change in infrastructure costs was mainly due to need based changes in infrastructure requirements. In addition, consequent to implementation of SFRS(I) 16 with effect from 01 January 2019, certain properties on rent have been recognised as Right-of-use assets and accordingly, depreciated based on the useful period of the asset.

Note 8

Marketing expenses had mainly been on account of operator driven marketing outlay by Affinity group for its Distribution of operator products & services.

Note 9

Other expenses- operating included the following:

	Quarter ended 30 Sep		%	Nine months ended 30 Sep		%
	2019	2018		2019	2018	
	S$'000	S$'000	Change	S$'000	S$'000	Change
Bank charges (Note 10)	(22)	(16)	37.5%	(69)	(62)	11.3%
Collection service fees (Note 10)	(15)	(47)	-68.1%	(52)	(225)	-76.9%
Equipment maintenance (Note 10)	(185)	(162)	14.2%	(571)	(392)	45.7%
Equipment rental (Note 10)	(55)	(61)	-9.8%	(160)	(174)	-8.0%
Foreign exchange gain (Note 11)	79	51	54.9%	106	41	N.M.
Freight and postage charges (Note 10)	(24)	(17)	41.2%	(64)	(59)	8.5%
Printing & stationery (Note 10)	(30)	(18)	66.7%	(84)	(68)	23.5%
Professional fees (Note 10)	(295)	(326)	-9.5%	(1,078)	(1,120)	-3.8%
(Provision)/write back of allowance of doubtful non-trade debts (Note 12)	(6)	-	N.M.	(17)	6	N.M.
(Provision)/ Write back of allowance of doubtful trade debts (Note 12)	(17)	20	N.M.	(180)	(21)	N.M.
Write off of doubtful trade debts (Note 12)	-	(11)	-100.0%	-	-	-
Provision for allowance for stock obsolescence of stocks (Note 12)	(22)	(112)	N.M.	(60)	(206)	-70.9%
Telecommunication expenses (Note 10)	(92)	(89)	3.4%	(265)	(280)	-5.4%
Travelling & entertainment expenses (Note 10)	(424)	(335)	26.6%	(1,113)	(1,055)	5.5%
Insurance (Note 10)	(83)	(56)	48.2%	(266)	(147)	81.0%
Others	(254)	(187)	35.8%	(745)	(644)	15.7%
Total other expenses - operating	**(1,445)**	**(1,366)**	**5.8%**	**(4,618)**	**(4,406)**	**4.8%**

Note 10

The changes in these operating expenses have mainly been corresponding to business requirements. Increase in equipment maintenance has primarily been attributed to BEVs and the company. Increase in travelling and equipment maintenance had mainly been from Affinity and the company. Similarly, increase in insurance has primarily been on account of BEVs.

Note 11

The foreign exchange movement recognised was mainly due to unrealised and realised foreign exchange gain/(loss) incurred on fluctuation of SGD, USD, MYR, THB, IDR, RMB and INR.

Note 12

The amounts mainly represented allowances to adjust carrying value of trade/non trade receivables including on account of SFRS(I) 9 and inventories.

Note 13

Other income - non-operating included the following:

	Quarter ended 30 Sep		%	Nine months ended 30 Sep		%
	2019	2018		2019	2018	
	S$'000	S$'000	Change	S$'000	S$'000	Change
Gain on sale of investment in subsidiaries (Note 14)	-	441	N.M.	2,001	4,184	-52.2%
Gain on disposal of property,plant & equipment	10	3	N.M.	7	14	-50.0%
Others	-	2	-100.0%	24	-	-
Total other income - non operating	**10**	**446**	**N.M.**	**2,032**	**4,198**	-51.6%

Note 14

During Q12019/ 9M 2019, the Group completed the disposal of one of its subsidiaries (please also refer to announcement dated 26 March 2019), engaged in Voice business, a business since marginalised by Group over last few years and consequently recognised a gain of S$2.0 million, primarily on account of recycle of translation gain of S$2.0 million pertaining to the entity disposed of. During Q3 2018, the Group completed disposal of certain entities under its Cavu group ((please also refer to announcement dated 2 July 2018), engaged in ICT distribution and managed services and consequently recognised gain of S$0.2 million (net of recycle of translation loss of S$.06 million) on its disposal and also gain of S$0.2 million on account of fair valuation of remaining shares in these disposed entities turned associates. During corresponding period 9M 2018, the Group had also disposed off a non operating subsidiary of the Company (please also refer to announcement dated 2 July 2018), resulting in gain, primarily on account of recycle of translation gain of S$3.7 million pertaining to the entity disposed off.

Note 15

The interest income was mainly on account of deposits with the banks.

Note 16

The movement in finance cost against corresponding period/s in the preceding year was mainly on account of utilisation level of loans and bank borrowings by Affinity group based on their business needs and scheduled repayments of lease obligations by the Company. It also included interest recognised on Right-of-use-assets consequent to implementation of SFRS(I) 16 with effect from 01 Jan 2019.

Note 17

The increase in depreciation during Q3 2019/9M 2019 over corresponding period/s Q3 2018/9M 2018 was mainly on account of battery electric vehicles. The amount during Q3 2019/9M 2019 also included depreciation on Right-of-use assets recognised on 01 January 2019 (Please also refer to Note 7 above). Amortisation of intangible assets during Q3 2019/9M 2019 had mainly been in respect of a fleet management software for BEVs.

Note 18

During Q1 2019, the Group completed the disposal of one of its subsidiaries (please also refer to announcement dated 26 March 2019 and Note 14 above). During FY 2018, the Group had also disposed of a non operating subsidiary of the Company and certain entities of its Cavu group (please also refer to announcement dated 2 July 2018). Consequently, in terms of SFRS(I) 5, the financial results of subject entities have been shown separately under income statement. Please also refer to Note 14 above.

Note 19

The taxation was mainly in respect of Bharat IT engaged in ICT Distribution & managed services and Affinity group. During FY 2019, taxation of Bharat IT has relatively been lower on account of recognition of service fee billed by the Company.

Note 20

Profit attributable to Non-controlling interest was mainly related to one of the subsidiaries of Affinity group.

A statement of comprehensive income for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Quarter ended 30 Sep		%	Nine months ended 30 Sep		%
	2019	2018		2019	2018	
	S$'000	S$'000	Change	S$'000	S$'000	Change
Profit for the period	**245**	**305**	**-19.7%**	**957**	**3,467**	**-72.4%**
Other comprehensive income/(loss):						
Items that may be reclassified subsequently to profit and loss:						
Foreign currency translation (Note 21)	264	(1,282)	-120.6%	569	(2,255)	-125.2%
Gain (net) reclassified to profit or loss upon disposal of foreign entities (Note 14)	-	61	-100.0%	(2,000)	(3,671)	N.M.
Other comprehensive loss for the period	**264**	**(1,221)**	**-121.6%**	**(1,431)**	**(5,926)**	**-75.9%**
Total comprehensive income/ (loss) for the period	**509**	**(916)**	**-155.6%**	**(474)**	**(2,459)**	**-80.7%**
Total comprehensive income/ (loss) attributable to:						
Owners of the parent	512	(949)	-154.0%	(497)	(2,493)	-80.1%
Non-controlling interest	(3)	33	N.M.	23	34	-32.4%
Total	**509**	**(916)**	**-155.6%**	**(474)**	**(2,459)**	**-80.7%**

N.M. - Not Meaningful

Note 21

The movement in foreign currency translation was mainly due to movement of USD, MYR, THB, INR, RMB and IDR against SGD. Please also refer to Note 14.

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	
	30 Sep 19	31 Dec 18	30 Sep 19	31 Dec 18
	S$'000	S$'000	S$'000	S$'000
Current assets	**53,794**	**54,521**	**5,868**	**6,218**
Inventories (Note 22)	15,604	10,360	-	-
Trade receivables (Note 23)	11,594	13,257	114	112
Other receivables and deposits (Note 24)	4,957	4,015	907	1,032
Prepayments (Note 25)	4,287	2,986	90	72
Due from subsidiaries (Note 26)	-	-	2,692	178
Cash and bank deposits pledged (Note 27)	4,673	4,838	-	-
Cash and cash equivalents	11,427	18,462	2,065	4,824
Tax recoverable (Note 28)	1,252	603	-	-
Non-current Assets	**13,330**	**13,336**	**36,973**	**33,077**
Property, plant and equipment (Note 29)	8,174	8,885	6,320	6,949
Right-of-use assets (Note 30)	391	-	-	-
Intangible assets (Note 31)	348	16	10	13
Investments in subsidiaries (Note 32)	-	-	29,433	25,198
Financial Assets, FVPL (Note 33)	201	201	-	-
Investment properties (Note 29)	2,719	2,630	-	-
Long-term loans and advances to subsidiaries (Note 26)	-	-	1,210	917
Deferred tax assets (Note 34)	380	336	-	-
Trade receivables (Note 23)	-	5	-	-
Prepayments (Note 25)	80	95	-	-
Other receivables and deposits (Note 24)	267	273	-	-
Cash and bank deposits pledged (Note 27)	770	895	-	-
Total Assets	**67,124**	**67,857**	**42,841**	**39,295**
Current liabilities	**22,755**	**23,015**	**5,524**	**10,315**
Trade creditors (Note 35)	13,375	10,563	113	112
Other creditors and accruals (Note 36)	5,143	6,309	827	1,335
Contract liabilities (Note 37)	2,490	2,776	-	-
Lease obligations (Note 38)	271	532	135	532
Loans and bank borrowings (Note 39)	843	2,304	-	-
Due to subsidiaries (Note 26)	-	-	4,449	8,336
Tax payable (Note 40)	633	531	-	-
Non-current liabilities	**3,431**	**3,121**	**11,540**	**5,485**
Deferred tax liabilities (Note 34)	195	207	-	-
Provision for employee benefits	722	700	-	-
Contract liabilities (Note 37)	12	17	-	-
Lease obligations (Note 38)	2,502	2,197	2,197	2,197
Long-term loans and advances from subsidiaries (Note 26)	-	-	9,343	3,288
Total Liabilities	**26,186**	**26,136**	**17,064**	**15,800**
Equity attributable to the owners of the parent				
Share capital	548,020	578,249	548,020	578,249
Treasury Shares (Note 41)	(3,547)	(3,535)	(3,547)	(3,535)
Accumulated losses	(490,001)	(520,824)	(508,898)	(541,354)
Other reserves	(4,870)	(4,172)	(9,798)	(9,100)
Translation reserve (Note 21)	(8,594)	(7,905)	-	(765)
	41,008	**41,813**	**25,777**	**23,495**
Non-controlling interest (Note 20)	(70)	(92)	-	-
Total Equity	**40,938**	**41,721**	**25,777**	**23,495**
Total liabilities and equity	**67,124**	**67,857**	**42,841**	**39,295**

Note 22

Inventories of Distribution of operator products and ICT Distribution & managed services increased by S$3.7 million and S$1.5 million respectively against 31 December 2018.

Note 23

The decrease of S$1.7 million in trade receivables was mainly in respect of entities engaged in ICT Distribution & Affinity group.

Note 24

The Other Receivables and Deposits mainly included Operator's fee, GST refund and receivables on account of support services provided to a related party. The increase has primarily been in respect of Affinity group & Bharat IT, offset by decrease in respect of the Company.

Note 25

The increase in prepayments was mainly in respect of Affinity group and Cavu group.

Note 26

The increase in amounts (Net) due to subsidiaries has mainly been on account of amounts received by the company from Affinity group and taking over of the amounts payable by the subsidiary in Hongkong (Disposed in Q1 2019 - please also refer to Note 14 above) to another subsidiary in China. To facilitate the disposal of a subsidiary in Hongkong, the Compamy has taken over 100% shares of one of the subsidiaries in China, owned by the Hongkong subsidiary (Please also refer to announcement dated 26 March 2019). Similarly, the increase in amounts (Net) due from subsidiaries has mainly been on account of Service Fee charged by the Company to its certain subsidiaries.

Note 27

The pledged deposits were primarily in respect of the Bharat IT, Cavu group and Affinity group, for obtaining banking facilities.

Note 28
The increase in Tax recoverable was mainly on account of Bharat IT and Affinity group.

Note 29
Property, Plant & Equipments (PPE) primarily consisted battery electric vehicles (BEVs) in Singapore and building properties in Indonesia. Building properties in Indonesia also include certain properties, as rented out, hence categorised as Investment Properties. Decrease in PPE has primarily been on account of depreciation during 9M 2019, partially offset by currency translation effects and addition in fixed assets.

Note 30
Consequent to implementation of SFRS(I) 16 - Leases with effect from 1 January 2019, the Group has recognised S$ 0.39 million (net of depreciation) as "Right-of-use assets".

Note 31
The increase in Intangible Assets has primarily been on account of in house development of software/s including for BEV's.

Note 32
The increase in investment in subsidiaries has primarily been on account of acquisition of 100% shares in one of the subsidiaries in China. Please also refer to the announcement dated 26 March 2019.

Note 33
The amount pertained to fair value of remaining 40% shares in certain entities under Cavu group, disposed of during preceding FY 2018.

Note 34
The deferred tax assets/liabilities were in respect of Bharat IT and Affinity.

Note 35
The increase in Trade Creditors has mainly been in respect of Affinity group and Cavu group.

Note 36
The decrease in other creditors and accruals was mainly in respect of the Cavu group, Affinity group, Bharat IT and the company.

Note 37
The contract liabilities were mainly in respect of ICT Distribution & Managed services.

Note 38
The obligations were primarily for acquisition of certain battery electric vehicles by the Company during FY 2018. The increase has primarily been on account of recognition of corresponding lease liabilities consequent to recognition of Right-of-use assets (Please also refer to Note 30 above). The increase has partially been offset by scheduled repayments of lease obligations.

Note 39
The movement in loans and borrowings was mainly on account of utilisation of credit facilities by Affinity group, corresponding to its operational requirement and repayment of certain bills discounted by Bharat IT.

Note 40
The increase in tax payable was mainly in case of Bharat IT.

Note 41
Treasury shares represent shares (net of cancellations) bought as per mandate/s for share buy back received in shareholder's meetings in 2017 and 2018. The company has not bought any shares under the mandate after 19 October 2018. The mandate has since expired on 24 April 2019. Incidental cost/s of S$0.06 million and S$0.06 million related to share buy back and partial offer respectively, pertaining to previous periods, have been recognised during current reporting period.

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

Amount repayable in one year or less, or on demand*

As at 30/09/2019		As at 31/12/2018	
Secured (S$'000)	Unsecured (S$'000)	Secured (S$'000)	Unsecured (S$'000)
977	-	**2,836**	-

Amount repayable after one year*

2,197	-	**2,197**	-

* Excluding lease liabilities consequent to recognition of Right-of-use assets, pursuant to implementation of SFRS(I) 16 with effect from 01 January 2019.

Details of any collateral

a) Subsidiaries' current assets of S$9.6 million (31/12/2018 : S$$10.5 million) and property, plant and equipment with carrying amount of S$0.6 million (31/12/2018: S$0.7 million) are pledged as security for bank guarantees, standby letters of credit and other bank services.

b) Corporate guarantees of S$8.0 million (31/12/2018 : S$8.0 million) were given by the Company to enable a subsidiary to obtain credit facility from suppliers.

c) Corporate guarantees of S$5.7 million (31/12/2018 : S$5.7 million) were given by the subsidiary to enable its subsidiaries to obtain credit facility from suppliers. Corporate guarantees of S$0.7 million were given to one of the entities of Cavu group that have been disposed during FY 2018. Counter guarantees of equivalent amount have been obtained from the buyer of the subject entity.

d) Corporate guarantees of S$1.1 million (31/12/2018 : S$1.1 million) were given by the subsidiary to enable its subsidiaries to obtain banking facilities.

e) Corporate guarantees of S$2.3 million (31/12/2018 : S$2.7) were given by the subsidiary to enable the Company to obtain banking facilities.

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

	Quarter ended 30 Sep		Nine months ended 30 Sep	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities				
Profit before taxation	**324**	**409**	**1,155**	**4,031**
Profit/ (Loss) before taxation from discontinued operations	-	39	(15)	(45)
Total Profit before taxation	**324**	**448**	**1,140**	**3,986**
Adjustments for:				
Depreciation and amortisation	390	306	1,203	927
Allowance for/ write off and (Reversal) of doubtful non-trade debts, net	(4)	4	17	19
Allowance for/ write off of doubtful trade debts, net	36	31	180	18
Allowance for/ write off and (Reversal) of inventory obsolescence, net	20	88	13	(578)
Interest income from deposits	(115)	(114)	(394)	(330)
Gain on disposal of property plant and equipment	(10)	(3)	(7)	(14)
Gain on disposal a subsidiary (Note 14 and Note 18)	-	(440)	(2,001)	(4,184)
Finance cost	97	72	250	418
Unrealised exchange differences	146	(940)	259	(1,739)
Others	12	(32)	22	(72)
Operating profit (loss) before working capital changes	**896**	**(580)**	**682**	**(1,549)**
(Increase)/ Decrease in inventories	(3,765)	2,510	(5,309)	4,638
(Increase)/ Decrease in trade receivables	(2,476)	(1,989)	1,008	745
(Increase)/ Decrease in other receivables and deposits	(525)	580	(886)	2,243
Decrease/ (Increase) in prepayments	355	(1,355)	(1,285)	(2,642)
Increase / (Decrease) in trade creditors	7,238	1,405	2,812	(2,518)
Increase / (Decrease) in other creditors and accruals	7	302	(1,160)	56
(Decrease)/ Increase in contract liabilities	(568)	74	(292)	(3)
Cash (used in) generated from operating activities	**1,162**	**947**	**(4,430)**	**970**
Interest paid	(84)	(35)	(209)	(306)
Income tax paid	(244)	(187)	(775)	(878)
Net cash (used in) generated from operating activities	**834**	**725**	**(5,414)**	**(214)**
Cash flows from investing activities				
Interest income received from deposits	133	96	332	383
Proceeds from disposal of property, plant and equipment	8	(15)	9	27
Purchase of property, plant and equipment	(107)	(136)	(222)	(385)
Purchase of Intangible Assets (Note 31)	(147)	-	(351)	-
Outflow (net) consequent to disposal of investment in subsidiaries	-	16	(5)	16
Net cash (used in)/ generated from investing activities	**(113)**	**(39)**	**(237)**	**41**
Cash flows from financing activities				
Withdrawal / (placement) of cash and bank deposits pledged (Note 27)	38	(979)	290	(1,064)
(Repayment of) / proceeds from loans and bank borrowings (Note 39)	(1,497)	654	(1,042)	(1,889)
Share buyback (Note 41)	(57)	(506)	(57)	(972)
Costs related to partial offer of Company's shares (Note 41)	(60)	-	(196)	-
Repayment of lease obligations (Note 38)	(137)	(1)	(413)	(16)
Net cash generated from/ (used in) financing activities	**(1,713)**	**(832)**	**(1,418)**	**(3,941)**
Net decrease in cash and cash equivalents	**(992)**	**(146)**	**(7,069)**	**(4,114)**
Cash and cash equivalents at beginning of the period	12,424	9,985	18,463	14,190
Effects of exchange rate changes on the balance of cash held in foreign currencies	(5)	(439)	33	(676)
Cash and cash equivalents at end of the period	**11,427**	**9,400**	**11,427**	**9,400**

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.

	Equity attributable to the owner of the parent						Non-controlling interest	Total Equity
	Share capital	Treasury Shares	Accumulated losses	Other reserves	Translation reserve	Total		
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
The Group								
Balance as at 1 January 2019	**578,249**	**(3,535)**	**(520,824)**	**(4,172)**	**(7,905)**	**41,813**	**(92)**	**41,721**
Effects on initial application of SFRS(I) 16*	-	-	(56)	-	-	(56)	-	(56)
Effects of change in functional currency**	(30,229)	(12)	29,922	(446)	765	-	-	-
Adjusted balance as at 1 January 2019	**548,020**	**(3,547)**	**(490,958)**	**(4,618)**	**(7,140)**	**41,757**	**(92)**	**41,665**
Total comprehensive income/ (loss) for the period	-	-	712	-	(1,721)	**(1,009)**	25	**(984)**
Cost related to partial offer	-	-	-	(135)	-	**(135)**	-	**(135)**
Balance as at 30 June 2019	**548,020**	**(3,547)**	**(490,246)**	**(4,753)**	**(8,861)**	**40,613**	**(67)**	**40,546**
Total comprehensive income/ (loss) for the period	-	-	245	-	267	**512**	(3)	**509**
Cost related to partial offer	-	-	-	(60)	-	**(60)**	-	**(60)**
Share Buy Back	-	-	-	(57)	-	**(57)**	-	**(57)**
Balance as at 30 September 2019	**548,020**	**(3,547)**	**(490,001)**	**(4,870)**	**(8,594)**	**41,008**	**(70)**	**40,938**
Balance as at 1 January 2018	**580,518**	**(3,779)**	**(524,773)**	**(4,108)**	**(2,656)**	**45,202**	**(102)**	**45,100**
Total comprehensive income/ (loss) for the period	-	-	3,163	(3)	(4,703)	**(1,543)**	-	**(1,543)**
Share Buy Back	-	(373)	-	(93)	-	**(466)**	-	**(466)**
Cancellatio	(700)	700	-	-	-	-	-	-
Balance as at 30 June 2018	**579,818**	**(3,452)**	**(521,610)**	**(4,204)**	**(7,359)**	**43,193**	**(102)**	**43,091**
Total comprehensive (loss)/ income for the	-	-	305	-	(1,255)	**(950)**	34	**(916)**
Share Buy Back	-	(486)	-	(20)	-	**(506)**	-	**(506)**
Cancellation of Treasury Shares	(402)	402	-	-	-	-	-	-
Balance as at 30 September 2018	**579,416**	**(3,536)**	**(521,305)**	**(4,224)**	**(8,614)**	**41,737**	**(68)**	**41,669**

	Share capital	Treasury Shares	Accumulated losses	Other reserves	Translation reserve	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
The Company						
Balance as at 1 January 2019	**578,249**	**(3,535)**	**(541,354)**	**(9,100)**	**(765)**	**23,495**
Effects of change in functional currency**	(30,229)	(12)	29,137	(446)	765	**(785)**
Adjusted balance as at 1 January 2019	**548,020**	**(3,547)**	**(512,217)**	**(9,546)**	**-**	**22,710**
Total comprehensive income for the period	-	-	4,050	-	-	**4,050**
Cost related to partial offer	-	-	-	(135)	-	**(135)**
Balance as at 30 June 2019	**548,020**	**(3,547)**	**(508,167)**	**(9,681)**	**-**	**26,625**
Total comprehensive income for the period	-	-	(731)	-	-	**(731)**
Cost related to partial offer	-	-	-	(60)	-	**(60)**
Share Buy Back	-	-	-	(57)	-	**(57)**
Balance as at 30 September 2019	**548,020**	**(3,547)**	**(508,898)**	**(9,798)**	**-**	**25,777**
Balance as at 1 January 2018	**580,518**	**(3,779)**	**(534,342)**	**(8,919)**	**(816)**	**32,662**
Total comprehensive loss for the period	-	-	(1,476)	-	3	(1,473)
Share Buy Back	-	(373)	-	(93)	-	(466)
Cancellation of Treasury Shares	(700)	700	-	-	-	
Balance as at 30 June 2018	**579,818**	**(3,452)**	**(535,818)**	**(9,012)**	**(813)**	**30,723**
Total comprehensive (loss)/ income for the period	-	-	(440)	-	35	(405)
Share Buy Back	-	(486)	-	(20)	-	(506)
Cancellation of Treasury Shares	(402)	402	-	-	-	-
Balance as at 30 September 2018	**579,416**	**(3,536)**	**(536,258)**	**(9,032)**	**(778)**	**29,812**

* The Group has adopted SFRS(I) 16 - Leases, as it became effective for the annual periods beginning on or after 1 January 2019.

** On 31 December 2018, the Board of Directors of the Company approved the change of its functional currency of the Company from United States Dollar to Singapore Dollar with effect from 1 January 2019, due to change in business model of the Company to engage in leasing of electric vehicles to its subsidiary over a five year period.

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, , 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 period. 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.

	No. of Shares	
	30 Sep 19	**30 Jun 19**
Issued shares at the beginning of the period	13,016,430	13,016,430
Cancellation of treasury shares	-	-
Total issued shares at the end of the period	13,016,430	13,016,430

The details of the outstanding share options and share awards granted under the Employees' Share Option Schemes and Share Plans respectively are as follows:

	No. of Shares	
	30 Sep 19	**30 Sep 18**
Options granted under 1999 Sevak Employees' Share Option Scheme II	-	-
Options granted under 2014 Sevak Employees' Stock Option plan *	-	-

Total number of shares held as treasury shares as at 30 Sep 2019 were 1,165,205 (30 Sep 2018: 1,165,205).

Percentage (%) of number of treasury shares against total number of shares as at 30 Sep 2019 were 8.95% (30 Sep 2018: 8.73%).

Total number of subsidiary holdings as at 30 Sep 2019 were Nil (30 Sep 2018: 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.

Total number of issued shares excluding treasury shares as at 30 Sep 2019 were 11,851,225 (31 Dec 2018 : 11,851,225).

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.

There were no excess and unutilised treasury shares cancelled as at 30 Sep 2019 (31 Dec 2018 : 696,022)

1(d)(v) A statement showing all sales, transfer, disposal, cancellation and/ or use of subsidiary holdings as at the end of the current financial period reported on.

There were no subsidiary holdings at the end of the current financial period reported on.

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.

3. Where the figures have been audited or reviewed, the auditor's 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 stated in Paragraph 5, the Group has adopted the same accounting policies and methods of computation as the audited financial statements for the year ended 31 December 2018.

5. If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

On 31 December 2018, The Board of Directors of the Company approved the change of its functional currency of the Company from United Sates Dollar to Singapore Dollar with effect from 1 January 2019, due to change in business model of the Company to engage in leasing of electric vehicles to its subsidiary over a five year period.

The Group has adopted SFRS (I) 16 - Leases, as it became effective for the annual periods beginning on or after 1 January 2019. The Group has applied the modified retrospective approach at the date of initial application which is on 1 January 2019.

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.

	Group			
	Quarter ended 30 Sep		Nine months ended 30 Sep	
	2019	**2018**	**2019**	**2018**
Earning per ordinary share from continuing and discontinued operations for the period after deducting any provision for preference dividends:-				
i) Based on weighted average number of ordinary share in issue (S$ cent)	2.08 cents	2.47 cents	8.06 cents	28.08 cents
ii) On a fully diluted basis (S$ cent)	2.08 cents	2.47 cents	8.06 cents	28.08 cents

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 Sep 19	**31 Dec 18**	**30 Sep 19**	**31 Dec 18**
Net asset backing per ordinary share is calculated based on 11,851,225 (31/12/2018 : 11,851,225) ordinary shares in issue at the end of the period under review and of the immediate preceding financial year **(S$ cent)**.	346.02 cents	352.82 cents	217.50 cents	198.25 cents

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:- (a) 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; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

The Group recorded a turnover of S$79.1 million during current quarter Q3 2019 - an increase of 15.6% over revenue of corresponding quarter Q3 2018. Revenue from Distribution of Operator products and services in Indonesia grew by 9.3% during third quarter (Q3 2019) and declined by 3.2% during first nine months (9M 2019) ended 30 September 2019 of current financial year (FY 2019) against corresponding quarter (Q3 2018) and nine months (9M 2018) ended 30 September 2018 of preceding financial year (FY 2018) respectively. The Group continues to be diligent and has been successfully working with the operators to align with their strategies to cross over the transition of voice to data and disruption due to technology based other distribution channels, thereby progressively arresting the decline in revenue. With these actions, the Group has been successful in securing newer business territories from one of the telecom operators and also expansion of its existing business territory by one of them. After many quarters, Group's Indonesia operations have registered growth in its revenue during Q3 2019. The Group also continues to sell multi-brand, MNC mobile devices through its own retail shops in Indonesia, as this aids in business of Distribution of Operator products and services. Revenue from ICT distribution and managed services, also being projects driven business, registered an increase of 60% during Q3 2019 and 18.1% during 9M 2019 over corresponding Q3 2018 and 9M 2018 respectively. Cavu group engaged in ICT distribution and managed services also executed a relatively bigger project during Q3 2019. To retain and grow margins, the subsidiaries engaged in this business also continue to be focusing more on services led business. Visible drop in revenue in business of BEVs has primarily been on account of shift from employment model to rental model in main, since 4th quarter of FY 2018. Correspondingly, there has been change in "Purchases and changes in inventories and direct services fee incurred".

During the Q3 2019, the overall operating expenses have marginally gone up by 1.1% against Q3 2018. It has almost remained same during 9M 2019 against 9M 2018.

The Group earned operating earnings (before interest, depreciation, amortisation and taxation) of S$0.7 million during Q3 2019 against S$0.2million during corresponding Q3 2018. During 9M 2019, the Group earned operating earnings (before interest, depreciation, amortisation and taxation) of S$ 0.2 million against S$0.8 million during corresponding period 9M 2018.

During Q12019/ 9M 2019, the Group completed the disposal of one of its subsidiaries (please also refer to announcement dated 26 March 2019), engaged in Voice business, a business since marginalised by Group over last few years and consequently recognised a gain of S$2.0 million, primarily on account of recycle of translation gain of S$2.0 million pertaining to the entity disposed of. During Q3 2018, the Group completed disposal of certain entities under its Cavu group ((please also refer to announcement dated 2 July 2018), engaged in ICT distribution and managed services and consequently recognised gain of S$0.2 million (net of recycle of translation loss of S$.06 million) on its disposal and also gain of S$0.2 million on account of fair valuatuon of remaining shares in these disposed entities turned associates. During corresponding period 9M 2018, the Group had also disposed off a non operating subsidiary of the Company (please also refer to announcement dated 2 July 2018), resulting in gain, primarily on account of recycle of translation gain of S$3.7 million pertaining to the entity disposed off.

The Group earned profit before tax of S$0.3 million and S$1.2 million during Q3 2019 and 9M 2019 against S$0.4 million and S$4.0 million during corresponding period/s Q3 2018, and 9M 2018 respectively, from continuing operations including translation gain/s referred to above.

The Group has continued its focus on operating efficiencies and management of working capital in terms of inventories, trade debtors, trade creditors and loans and borrowings in accordance with its business requirements. Cash in hand (net of borrowings) as at 30 September 2019 was S$13.7 million against S$19.2 million as at 31 December 2018, primarily on account of increase in inventories and prepayments, partially offset by increase in trade creditors and decrease in trade receivables & loans & borrowings.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There was no forecast or prospect statement disclosed to shareholders previously.

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 company continues to work to strengthen the three verticals : Distribution of Operator Products and Services, ICT distribution & managed services and Battery Electric Vehicles (BEV) business in the short term. These industry verticals have various challenges which persist as mentioned before as well. However, new developments in all these industries in the area of 5G technology, various technology innovations in BEVs and AVs businesses (SW and HW) and also changes in technology affecting IoT, Big data , AI and deep learning are also being closely watched by the company.

Company's continuous focus on performance and results in Indonesia has resulted in allocation of newer business territories by the telecom operators and expansion of territories by one of them. These actions have resulted in business growth in Indonesia in Q3 2019. There is another disruption due to telecom operator's pursuing technology based other distribution channels. While this is challenging for the Industry at large, it is also presenting unique opportunities for the Group to pursue alternative technology based business channels using its large distribution base. The Company has commenced a test bed pilot with a fintech company in Indonesia to adopt digitization in its distribution channel as a means to improve efficiency and growth. This step is in line with the Company's strategy to move from Information to Innovation.

The ICT distribution & managed services business remains largely the same at Singapore and India. The company is keeping a focus on exploring new partners and tie ups with new innovative companies who seek to enter these markets. Re skilling of technical and sales staff will also be a focus as we seek to partner new technology based innovative companies in addition to the current ones. Futuristic services based offerings like Cloud, IoT, Big Data, Server consolidation, Virtualization and other services will continue to be the focus going forward as these platforms start stabilizing. Meanwhile the company keeps its focus in servicing, growing and retaining its existing client base.

For the battery electric fleet (BEV), the company keeps working and improving efficiency through various business models and its ties with a particular ride hailing app continues. The EV and AV industries are through a churn/growth/change phase as more and more innovations occur in battery/technology and software platforms. The Company continues to study various technology changes and operate.

As before, without losing its sight on opportunities in other parts of ASEAN & Asia, the Group continues to focus on establishing its BEV business in Singapore and looking out for other opportunities.

The Group having exited from SGX watchlist on 30 May 2019, it continues to work on its strategy of hold and grow profitable businesses, move from information to innovation and cut down loss making businesses.

Apart from above, the Group has not observed any other noticeable trends in the industry, it is in.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend recommended for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared / recommended, a statement to that effect and the reasons for the decision.

No dividend has been recommended for the current financial period reported on as the Group intends to conserve cash for future investments.

13. Utilisation of Rights Issue proceeds

Not Applicable.

14. Interested persons transactions disclosure

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) Quarter ended 30 Sep 2019 S$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000) Quarter ended 30 Sep 2019 S$'000
	-	-

There was neither renewal nor new IPT mandate obtained during the Annual General Meeting of the Company held on 24th April 2019.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmented 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.

Not Applicable.

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

Not Applicable.

17. A breakdown of sales.

Not Applicable.

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

Not Applicable.

19. Statement Pursuant to Rule 705(5) of The Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the above unaudited financial results for the quarter ended 30th September 2019 to be false or misleading in any material respects.

20. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the form set out in appendix 7.7) under rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers in the form set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Maneesh Tripathi
Executive Chairman & Group Chief Executive Officer
SEVAK Limited

14 November 2019