

## Second Quarter Financial Statements and Dividend announcement for the period ended 30th June 2018 (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 Jun		%	Half Year ended 30 Jun		%
	2018	2017		2018	2017	
	S\$'000	S\$'000	Change	S\$'000	S\$'000	Change
Turnover (Note 1)	66,644	89,839	-25.8%	142,860	177,893	-19.7%
Purchases and changes in inventories and direct service fees incurred (Note 2)	(60,141)	(82,631)	-27.2%	(129,077)	(163,304)	-21.0%
Commissions and other selling expenses (Note 3)	(79)	(16)	N.M.	(155)	(87)	78.2%
Other income - operating (Note 4)	275	50	N.M.	367	143	156.6%
Operating expenses (Note 5)	(6,728)	(6,932)	-2.9%	(13,392)	(13,776)	-2.8%
Other income - non operating (Note 14)	3,751	199	N.M.	3,756	200	N.M.
Other expenses - non operating	-	(50)	N.M.	-	(63)	N.M.
Interest income from deposits (Note 17)	106	173	-38.7%	216	397	-45.6%
Finance costs (Note 18)	(233)	(108)	115.7%	(338)	(123)	174.8%
Depreciation of property, plant and equipment (Note 19)	(318)	(178)	78.7%	(614)	(442)	38.9%
Amortisation of intangible assets	(1)	-	N.M.	(2)	(3)	-33.3%
Profit / (Loss) before taxation			-			-
From continuing operations*	3,276	346	N.M.	3,621	835	N.M.
From discontinued operations (Note 21)	(94)	(30)	213.3%	(81)	(124)	-34.7%
Profit before taxation	3,182	316	N.M.	3,540	711	397.9%
Taxation			-			-
From continuing operations	(161)	(189)	-15.1%	(375)	(471)	-20.3%
From discontinued operations	-	-	-	-	-	-
Taxation (Note 20)	(161)	(189)	-15.1%	(375)	(471)	-20.3%
Net Profit / (Loss) after tax for the period			-			-
From continuing operations*	3,115	157	N.M.	3,246	364	N.M.
From discontinued operations (Note 21)	(94)	(30)	213.3%	(81)	(124)	-34.7%
Net Profit after tax	3,021	127	N.M.	3,165	240	N.M.
Profit attributable to:						
Owners of the parent	3,021	127	N.M.	3,165	240	N.M.
Non-controlling interest (Note 22)	-	-	N.M.	-	-	N.M.
Total	3,021	127	N.M.	3,165	240	N.M.

\* Please also refer to note 16

#### Note 1

##### Turnover

	Quarter Ended 30 Jun		%	Half Year ended 30 Jun		%
	2018	2017		2018	2017	
	S\$'000	S\$'000	Change	S\$'000	S\$'000	Change
Distribution of operator products and services	54,632	75,720	-27.8%	115,534	148,126	-22.0%
ICT distribution and managed services	8,322	10,484	-20.6%	19,969	22,688	-12.0%
Mobile devices distribution & retail	3,304	3,510	-5.9%	6,469	6,792	-4.8%
Battery Electric Vehicle	386	125	208.8%	888	287	N.M.
<b>Total (Note 2)</b>	<b>66,644</b>	<b>89,839</b>	<b>-25.8%</b>	<b>142,860</b>	<b>177,893</b>	<b>-19.7%</b>

#### Note 2

Distribution of Operator products and services in Indonesia declined by 27.8% during second quarter (Q2 2018) and 22.0% during first six months (1H 2018) of the current financial year (FY 2018) ended 30 June 2018 against corresponding quarter (Q2 2017) and first six months (1H 2017) of the preceding financial year (FY 2017) ended 30 June 2017 respectively. As anticipated, consequent to intense competition, all telecom operators in Indonesia have been resorting to competitive pricing to increase customers, as the voice business continues to shrink and a shift towards data driven strategy is being implemented. The Group continues to be diligent and is working with the operators to align with this strategy. Weakening of IDR against presentation currency SGD has also resulted in visibly higher reduction in revenue over corresponding period/s. Revenue from ICT distribution and managed services has also declined by 20.6% during Q2 2018 and 12.0% during 1H 2018 over corresponding quarter Q2 2017 and 1H 2017 respectively. To retain and grow margins, the subsidiaries engaged in this business have been focusing more on services led business. The Group continues to focus on multi-brand, MNC mobile retail business through our own retail shops in Indonesia. This also aids in business of Distribution of Operator products and services. In beginning of current financial year, the Group had inducted more Battery Electric Vehicles (BEV) in its fleet for providing passenger land transport services in Singapore, using car hailing application. Consequently, the revenue of BEV has increased against corresponding period/s of preceding financial year. 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 accruals in past, no longer required.

#### Note 5

The operating expenses included the following:

	Quarter Ended 30 Jun		%	Half Year ended 30 Jun		%
	2018	2017		2018	2017	
	S\$'000	S\$'000	Change	S\$'000	S\$'000	Change
Personnel costs (Note 6)	(4,344)	(4,353)	-0.2%	(8,608)	(8,619)	-0.1%
Infrastructure costs (Note 7)	(584)	(666)	-12.3%	(1,218)	(1,423)	-14.4%
Marketing expenses (Note 8)	(251)	(369)	-32.0%	(525)	(731)	-28.2%
Other expenses - operating (Note 9)	(1,549)	(1,544)	0.3%	(3,041)	(3,003)	1.3%
<b>Total operating overheads</b>	<b>(6,728)</b>	<b>(6,932)</b>	<b>-2.9%</b>	<b>(13,392)</b>	<b>(13,776)</b>	<b>-2.8%</b>

#### Note 6

There has been increase in manpower strength over corresponding period/s in preceding year, primarily due to operator driven manpower requirement/planning, ongoing enhanced focus on services led business in case of one of the subsidiaries under ICT distribution & managed services and Battery Electric Vehicle (BEV) business. However, the efforts have been made to rationalise and contain the increase in manpower cost.

Note 7

The change in infrastructure costs was mainly due to need based changes in infrastructure requirements.

Note 8

Marketing expenses had mainly been on account of operator driven marketing outlay by Affinity group for its Distribution of operator products & services and new business of battery electric vehicles by one of the Company's subsidiaries in Singapore.

Note 9

Other expenses- operating included the following:

	Quarter Ended 30 Jun		%	Half Year ended 30 Jun		%
	2018	2017		2018	2017	
	S\$'000	S\$'000	Change	S\$'000	S\$'000	Change
Bank charges (Note 10)	(23)	(16)	43.8%	(45)	(38)	18.4%
Collection service fees (Note 10)	(100)	(99)	1.0%	(178)	(163)	9.2%
Equipment maintenance (Note 10)	(123)	(74)	66.2%	(230)	(138)	66.7%
Equipment rental (Note 10)	(56)	(67)	-16.4%	(114)	(121)	-5.8%
Foreign exchange gain/ (loss) (Note 11)	63	(49)	N.M.	(8)	(53)	N.M.
Freight and postage charges (Note 10)	(19)	(22)	-13.6%	(41)	(45)	-8.9%
Printing & stationery (Note 10)	(26)	(28)	-7.1%	(50)	(51)	-2.0%
Professional fees (Note 12)	(416)	(429)	-3.0%	(797)	(757)	5.3%
(Provision)/write back of allowance/ (write off) of doubtful non-trade debts (Note 13)	47	(16)	N.M.	7	(41)	-117.1%
(Provision)/write back of allowance/(write off) of doubtful trade debts (Note 13)	(43)	(33)	30.3%	(29)	(131)	N.M.
(Provision)/write back of allowance for stock obsolescence/(write off) of stocks (Note 13)	(41)	(9)	355.6%	(93)	(67)	38.8%
Telecommunication expenses (Note 10)	(102)	(90)	13.3%	(191)	(176)	8.5%
Travelling & entertainment expenses (Note 10)	(357)	(386)	-7.5%	(720)	(747)	-3.6%
Insurance (Note 10)	(59)	(27)	118.5%	(119)	(56)	112.5%
Others	(199)	(199)	47.7%	(433)	(419)	3.3%
<b>Total other expenses - operating</b>	<b>(1,549)</b>	<b>(1,544)</b>	<b>0.3%</b>	<b>(3,041)</b>	<b>(3,003)</b>	<b>1.3%</b>

Note 10

The changes in these operating expenses have mainly been corresponding to business requirements. Increase in insurance has primarily been on account of increase in number of battery electric vehicles.

Note 11

The foreign exchange movement recognised in Q2 2018 and 1H 2018 were mainly due to unrealised and realised foreign exchange gain/(loss) incurred on fluctuation of SGD, USD, MYR, THB, IDR, RMB and INR.

Note 12

Movement in professional fee during Q2 2018/1H 2018 over corresponding period/s was mainly in respect of Bharat IT, primarily on account of consultancy services.

Note 13

The amounts mainly represented allowances to adjust carrying value of trade/non trade receivables and inventories.

Note 14

	Quarter Ended 30 Jun		%	Half Year ended 30 Jun		%
	2018	2017		2018	2017	
	S\$'000	S\$'000	Change	S\$'000	S\$'000	Change
Fair value gain on investment securities (Note 15)	-	190	N.M.	-	190	N.M.
Gain on sale of investment in subsidiaries (Note 16)	3,743	-	-	3,743	-	-
Gain on disposal of property, plant & equipment	6	-	-	11	-	-
Others	2	9	-77.8%	2	10	-80.0%
<b>Total other income - non operating</b>	<b>3,751</b>	<b>199</b>	<b>N.M.</b>	<b>3,756</b>	<b>200</b>	<b>N.M.</b>

Note 15

The gain was consequent to sale of quoted equity investment during Q2 2017. The shareholding was insignificant, non strategic and in a non related company.

Note 16

During Q2 2018, the Group disposed off a non operating subsidiary of the Company (please also refer to announcement dated 2nd 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 17

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

Note 18

The changes in finance cost against corresponding period/s in the preceding year were mainly on account of finance charges & utilisation level of loans and bank borrowings by Affinity group based on their business needs and also on account of bank borrowing for buying more battery electric vehicles.

Note 19

The increase in depreciation during Q2 2018 & 1H 2018 were mainly on account of increase in battery electric vehicles, largely offset by decrease in depreciation of Affinity group.

Note 20

The taxation was mainly in respect of Bharat IT engaged in ICT Distribution & managed services and Affinity group.

Note 21

During Q2 2018, the group initiated the process of disposal of certain entities of its Cavu group and accordingly Share Purchase Agreement (SPA) was executed on 29th June 2018 (please also refer to announcement dated 2nd July 2018). Consequently, in terms of SG-IFRS 5, the financial results and assets & liabilities of subject entities have been shown separately under income statement as well as statement of financial position.

Note 22

Profit/(Loss) attributable to Non-controlling interest 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 Jun		%	Half Year ended 30 Jun		%
	2018	2017		2018	2017	
	S\$'000	S\$'000	Change	S\$'000	S\$'000	Change
<b>Profit for the period</b>	3,021	127	N.M.	3,165	240	N.M.
<b>Other comprehensive income:</b>						
<b>Items that may be reclassified subsequently to profit and loss:</b>						
Foreign currency translation (Note 23)	42	(475)	-108.8%	(976)	(1,371)	-28.8%
Gain recognised in income statement upon disposal of foreign entity (Note 16)	(3,732)	-	N.M.	(3,732)	-	N.M.
Net gain recycled to income statement upon derecognition	-	(227)	N.M.	-	(128)	N.M.
<b>Other comprehensive loss for the period</b>	<b>(3,690)</b>	<b>(702)</b>	<b>N.M.</b>	<b>(4,708)</b>	<b>(1,499)</b>	<b>214.1%</b>
<b>Total comprehensive loss for the period</b>	<b>(669)</b>	<b>(575)</b>	<b>16.2%</b>	<b>(1,543)</b>	<b>(1,259)</b>	<b>22.6%</b>
<b>Total comprehensive loss attributable to:</b>						
Owners of the parent	(666)	(572)	16.4%	(1,543)	(1,247)	23.7%
Non-controlling interest	(3)	(3)	0.0%	-	(12)	-100.0%
<b>Total</b>	<b>(669)</b>	<b>(575)</b>	<b>16.3%</b>	<b>(1,543)</b>	<b>(1,259)</b>	<b>22.6%</b>

N.M. - Not Meaningful

Note 23

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 16.

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 Jun 18	31 Dec 17	30 Jun 18	31 Dec 17
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current assets</b>	<b>55,134</b>	<b>62,948</b>	<b>7,463</b>	<b>7,002</b>
Inventories (Note 24)	17,982	19,736	-	-
Trade receivables (Note 25)	8,126	10,796	109	118
Other receivables and deposits (Note 26)	5,356	7,190	1,338	1,662
Prepayments (Note 27)	4,848	3,450	39	15
Due from subsidiaries (Note 28)	-	-	51	58
Cash and bank deposits pledged (Note 29)	7,339	7,391	3,320	3,233
Cash and cash equivalents	9,985	14,190	2,606	1,916
Tax recoverable (Note 30)	868	195	-	-
Assets directly associated with disposal group classified as held for sale (Note 21)	630	-	-	-
<b>Non-current Assets</b>	<b>12,996</b>	<b>13,254</b>	<b>37,023</b>	<b>36,807</b>
Property, plant and equipment (Note 31)	9,397	9,782	152	178
Intangible assets	18	21	15	16
Investments in subsidiaries	-	-	28,366	28,366
Investment properties (Note 31)	2,437	2,300	-	-
Long-term loans and advances to subsidiaries (Note 28)	-	-	8,490	8,247
Deferred tax assets (Note 32)	63	151	-	-
Trade receivables (Note 25)	5	6	-	-
Prepayments (Note 27)	121	176	-	-
Other receivables and deposits (Note 26)	113	113	-	-
Cash and bank deposits pledged (Note 29)	842	705	-	-
<b>Total Assets</b>	<b>68,130</b>	<b>76,202</b>	<b>44,486</b>	<b>43,809</b>
<b>Current liabilities</b>	<b>23,434</b>	<b>29,412</b>	<b>13,748</b>	<b>11,132</b>
Trade creditors (Note 33)	9,250	13,173	105	109
Other creditors and accruals (Note 34)	6,101	6,356	1,143	1,275
Deferred revenue (Note 35)	1,792	1,823	-	-
Lease obligations (Note 36)	2	18	2	5
Loans and bank borrowings (Note 37)	4,691	7,344	3,056	2,972
Due to subsidiaries (Note 28)	-	-	9,442	6,771
Tax payable (Note 38)	970	698	-	-
Liabilities directly associated with disposal group classified as held for sale (Note 21)	628	-	-	-
<b>Non-current liabilities</b>	<b>1,048</b>	<b>1,133</b>	<b>15</b>	<b>15</b>
Deferred tax liabilities	60	60	-	-
Provision for employee benefits	920	959	-	-
Lease obligations (Note 36)	15	15	15	15
Deferred revenue (Note 35)	53	99	-	-
<b>Total Liabilities</b>	<b>24,482</b>	<b>30,545</b>	<b>13,763</b>	<b>11,147</b>
<b>Equity attributable to the owners of the parent</b>				
Share capital	579,818	580,518	579,818	580,518
Treasury Shares (Note 39)	(3,452)	(3,779)	(3,452)	(3,779)
Accumulated losses	(521,050)	(524,213)	(535,819)	(534,343)
Other reserves	(4,204)	(4,108)	(9,012)	(8,919)
Translation reserve (Note 23)	(7,362)	(2,659)	(812)	(815)
	<b>43,750</b>	<b>45,759</b>	<b>30,723</b>	<b>32,662</b>
Non-controlling interest (Note 22)	(102)	(102)	-	-
<b>Total Equity</b>	<b>43,648</b>	<b>45,657</b>	<b>30,723</b>	<b>32,662</b>
<b>Total liabilities and equity</b>	<b>68,130</b>	<b>76,202</b>	<b>44,486</b>	<b>43,809</b>

Note 24

The decrease in Inventories of S\$1.8 million was mainly in respect of Distribution of operator products & services and ICT distribution & managed services.

Note 25

The decrease of S\$ 2.7 million in trade receivables was mainly in respect of Cavu group, partially offset by increase in trade receivables of Bharat IT.

Note 26

The Other Receivables and Deposits mainly included Operator's fee, GST refund, receivables on account of support services provided to a related party. The decrease is primarily in respect of Affinity group and the Company.

Note 27

The increase in prepayments was mainly in respect of Affinity group, partially offset by decrease in respect of ICT products & services.

Note 28

The movement in amounts due from/to subsidiaries had mainly been on account of amounts received by the company from Affinity group and Cavu group.

Note 29

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

Note 30

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

Note 31

Property, Plant & Equipments (PPE), primarily consisted battery electric vehicles and building properties in Indonesia. The additions made during the preceding quarter primarily in Cavu group have been offset by depreciation charged during first six months and transfer of a property to Investment properties.

Note 32

The deferred tax assets are in respect of Bharat IT.

Note 33

The decrease in Trade Creditors has mainly been in respect of Cavu group and Bharat IT, partially offset by increase in Affinity group.

Note 34

The decrease in other creditors and accruals was mainly in respect of the Cavu group and Bharat IT, partially offset by increase in Affinity group.

Note 35

The deferred revenue was mainly in respect of ICT Distribution & Managed services and Affinity Group.

Note 36

The Lease obligations are mainly in respect of the company & Affinity group.

Note 37

The movement in loans and borrowings was mainly on account of utilisation of credit facilities, including with the banks by Affinity group, corresponding to its operational requirements. Pending disbursement of loan for acquisition of certain battery electric vehicles, the Group has availed a bridge loan of S\$2.9 million from one of its banks.

Note 38

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

Note 39

Consequent to mandate for share buyback received at EGM on 1 August 2017, renewed at AGM held on 30 April 2018, the company has been buying back its shares and till 30 June 2018, 1,366,245 shares have been bought for a consideration (excluding stamp duty and other costs) of S\$4.2 million. The company has cancelled 230,415 shares out of total treasury shares bought back so far (please also refer to announcement dated 22 June 2018).

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

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

As at 30/06/2018		As at 31/12/2017	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
4,693	-	7,362	-

**Amount repayable after one year**

15	-	15	-
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**Details of any collateral**

- Subsidiaries' current assets of S\$13.3 million (31/12/2017 : S\$15.6 million) and property, plant and equipment with carrying amount of S\$0.7 (31/12/2017: S\$0.7 million) are pledged as security for bank guarantees, standby letters of credit and other bank services.
- Corporate guarantees of S\$8.0 million (31/12/2017 : S\$8.0 million) were given by the Company to enable a subsidiary to obtain credit facility from suppliers.
- Corporate guarantees of S\$5.5 million (31/12/2017 : S\$5.7 million) were given by the subsidiary to enable its subsidiaries to obtain credit facility from suppliers.
- Corporate guarantees of S\$1.1 million (31/12/2017 : S\$1.0 million) were given by the subsidiary to enable its subsidiaries 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 Jun		Half Year ended 30 Jun	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
<b>Profit before taxation</b>	<b>3,276</b>	<b>346</b>	<b>3,621</b>	<b>835</b>
Profit/ (Loss) before taxation from discontinued operations	(94)	(30)	(81)	(124)
<b>Total Profit before taxation</b>	<b>3,182</b>	<b>316</b>	<b>3,540</b>	<b>711</b>
<b>Adjustments for:</b>				
Depreciation and amortisation	321	180	621	451
Allowance for/ write off of doubtful non-trade debts, net	(25)	21	16	46
(Reversal of)/ allowance for/ write off of doubtful trade debts, net	41	42	(5)	141
Reversal of inventory obsolescence, net	(118)	(6)	(666)	(27)
Interest income from deposits	(106)	(173)	(216)	(397)
Gain on disposal of property plant and equipment	(6)	-	(11)	-
Gain on disposal of subsidiary	(3,743)	-	(3,743)	-
Finance cost	236	113	345	131
Unrealised exchange differences	(107)	(26)	(890)	(190)
Others	(10)	56	(39)	58
<b>Operating profit/ (loss) before working capital changes</b>	<b>(335)</b>	<b>523</b>	<b>(1,048)</b>	<b>924</b>
Decrease/ (Increase) in inventories	4,336	(644)	2,128	(1,498)
Decrease/ (Increase) in trade receivables	3,214	1,420	2,734	(447)
Decrease in other receivables and deposits	589	88	1,664	352
Increase in prepayments	105	(848)	(1,287)	(886)
(Decrease)/ Increase in trade creditors	(5,832)	(960)	(3,922)	738
Decrease in other creditors and accruals	(530)	(322)	(247)	(114)
(Decrease)/ Increase in deferred revenue	(978)	(852)	(77)	620
<b>Cash (used in)/ generated from operating activities</b>	<b>569</b>	<b>(1,595)</b>	<b>(55)</b>	<b>(311)</b>
Interest paid	(198)	(113)	(271)	(131)
Income tax paid	(359)	173	(691)	(235)
<b>Net cash (used in)/ generated from operating activities</b>	<b>12</b>	<b>(1,535)</b>	<b>(1,017)</b>	<b>(677)</b>
<b>Cash flows from investing activities</b>				
Interest income received from deposits	187	150	287	296
Proceeds from disposal of property, plant and equipment	26	19	42	22
Purchase of property, plant and equipment	(30)	(87)	(249)	(172)
<b>Net cash generated from/ (used in) investing activities</b>	<b>183</b>	<b>82</b>	<b>80</b>	<b>146</b>
<b>Cash flows from financing activities</b>				
(Placement)/ withdrawal of cash and bank deposits pledged (Note 26)	(5)	(837)	(86)	(300)
Repayment of / proceeds from loans and bank borrowings (Note 34)	(2,569)	3,888	(2,542)	4,144
Share buyback (Note 36)	(79)	-	(466)	-
Repayment of obligations under finance leases	(7)	-	(15)	(18)
<b>Net cash generated from/ (used in) financing activities</b>	<b>(2,660)</b>	<b>3,051</b>	<b>(3,109)</b>	<b>3,826</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2,465)</b>	<b>1,598</b>	<b>(4,046)</b>	<b>3,295</b>
Cash and cash equivalents at beginning of the period	12,259	28,207	14,190	27,342
Effects of exchange rate changes on the balance of cash held in foreign currencies	191	(412)	(159)	(1,244)
<b>Cash and cash equivalents at end of the period</b>	<b>9,985</b>	<b>29,393</b>	<b>9,985</b>	<b>29,393</b>

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 SS'000	Total Equity SS'000
	Share capital	Treasury Shares	Accumulated	Other reserves	Translation reserve	Total		
	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000		
<b>The Group</b>								
<b>Balance as at 1 January 2018</b>	580,518	(3,779)	(524,213)	(4,108)	(2,659)	45,759	(102)	45,657
Total comprehensive income/ (loss) for the period			142		(1,019)	(877)	3	(874)
Share Buy Back		(336)		(51)		(387)		(387)
<b>Balance as at 31 March 2018</b>	580,518	(4,115)	(524,071)	(4,159)	(3,678)	44,495	(99)	44,396
Total comprehensive (loss)/ income for the period			3,021	(3)	(3,684)	(666)	(3)	(669)
Share Buy Back		(37)		(42)		(79)		(79)
Cancellation of Treasury Shares	(700)	700				-		-
<b>Balance as at 30 June 2018</b>	579,818	(3,452)	(521,050)	(4,204)	(7,362)	43,750	(102)	43,648
<b>Balance as at 1 January 2017</b>	580,518	-	(457,516)	(3,592)	(67,833)	51,577	(104)	51,473
Transfer of translation reserve as of 1 Jan 2017 to Accumulated Losses *			(67,833)		67,833	-		-
<b>Balance as at 1 January 2017</b>	580,518	-	(525,349)	(3,592)	-	51,577	(104)	51,473
Total comprehensive (loss)/ income for the period	-	-	113	99	(887)	(675)	(9)	(684)
<b>Balance as at 31 March 2017</b>	580,518	-	(525,236)	(3,493)	(887)	50,902	(113)	50,789
Total comprehensive (loss)/ income for the period	-		127	(230)	(469)	(572)	(3)	(575)
<b>Balance as at 30 June 2017</b>	580,518	-	(525,109)	(3,723)	(1,356)	50,330	(116)	50,214

	Share capital SS'000	Treasury Shares SS'000	Accumulated SS'000	Other reserves SS'000	Translation reserve SS'000	Total SS'000
<b>The Company</b>						
<b>Balance as at 1 January 2018</b>	580,518	(3,779)	(534,343)	(8,919)	(815)	32,662
Total comprehensive (loss)/ income for the period			(694)		(62)	(756)
Share Buy Back		(336)		(51)		(387)
<b>Balance as at 31 March 2018</b>	580,518	(4,115)	(535,037)	(8,970)	(877)	31,519
Total comprehensive (loss)/ income for the period			(782)		65	(717)
Share Buy Back		(37)		(42)		(79)
Cancellation of Treasury Shares	(700)	700				-
<b>Balance as at 30 June 2018</b>	579,818	(3,452)	(535,819)	(9,012)	(812)	30,723
<b>Balance as at 1 January 2017</b>	580,518	-	(479,022)	(8,657)	(54,787)	38,052
Transfer of translation reserve as of 1 Jan 2017 to			(54,787)		54,787	-
<b>Balance as at 1 January 2017</b>	580,518	-	(533,809)	(8,657)	-	38,052
Total comprehensive (loss)/ income for the period	-	-	(671)	99	(368)	(940)
<b>Balance as at 31 March 2017</b>	580,518	-	(534,480)	(8,558)	(368)	37,112
Total comprehensive (loss)/ income for the period	-		(1,091)	(227)	(228)	(1,546)
<b>Balance as at 30 June 2017</b>	580,518	-	(535,571)	(8,785)	(596)	35,566

\*The Group has elected to apply the transitional optional exemptions and transitional mandatory exceptions under SG-IFRS 1. Consequently, the Group has deemed the cumulative translation differences for all foreign operations to be zero as of 1 Jan 2017 (the date of transition to SG-IFRS).

- 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 June 18	31 Mar 18
Issued shares at the beginning of the period	13,712,452	13,712,452
Cancellation of treasury shares	(230,415)	-
Total issued shares at the end of the period	13,482,037	13,712,452

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 Jun 18	30 Jun 17
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 June 2018 were 1,135,830 (30 Jun 2017: Nil).

Percentage (%) of number of treasury shares against total number of shares as at 30 June 2018 were 8.42% (30 Jun 2017: Nil).

Total number of subsidiary holdings as at 30 June 2018 were Nil (31 June 2017: 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 June 2018 were 12,346,207 (31 Dec 2017 : 12,479,952).

- 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.

Excess and unutilised treasury shares cancelled as at 30 June 2018 were 230,415 (31 Dec 2017 : Nil)

- 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 2017.

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.

The Group has elected to apply the transitional optional exemptions and transitional mandatory exceptions under SG-IFRS 1. In view of this application, the Group has adopted SG-IAS 21 prospectively and has deemed the cumulative translation difference for all foreign operations to be zero as at 01 January 2017, the date of transition to SG-IFRS. A reconciling item with explanation will be disclosed in the first SG-IFRS financial statements for the financial year ending 31 December 2018.

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 Jun		Half Year ended 30 Jun	
	2018	2017	2018	2017
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)	24.46 cents	0.93 cents	25.61 cents	1.75 cents
ii) On a fully diluted basis (\$S cent)	24.46 cents	0.93 cents	25.61 cents	1.75 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 Jun 18	31 Dec 17	30 Jun 18	31 Dec 17
Net asset backing per ordinary share is calculated based on 12,346,207 (31/12/2017 : 12,479,952) ordinary shares in issue at the end of the period under review and of the immediate preceding financial year (\$S cent).	354.38 cents	366.66 cents	248.84 cents	261.72 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\$66.6 million during current quarter Q2 2018 - a decrease of 25.8% over revenue of corresponding quarter Q2 2017. Distribution of Operator products and services in Indonesia declined by 27.8% during second quarter (Q2 2018) and 22.0% during first six months (1H 2018) of the current financial year (FY 2018) ended 30 June 2018 against corresponding quarter (Q2 2017) and first six months (1H 2017) of the preceding financial year (FY 2017) ended 30 June 2017 respectively. As anticipated, consequent to intense competition, all telecom operators in Indonesia have been resorting to competitive pricing to increase customers, as the voice business continues to shrink and a shift towards data driven strategy is being implemented. The Group continues to be diligent and is working with the operators to align with this strategy. Weakening of IDR against presentation currency SGD has also resulted in visibly higher reduction in revenue over corresponding period/s. Revenue from ICT distribution and managed services has also declined by 20.6% during Q2 2018 and 12.0% during 1H 2018 over corresponding quarter Q2 2017 and 1H 2017 respectively. To retain and grow margins, the subsidiaries engaged in this business have been focusing more on services led business. The Group continues to focus on multi-brand, MNC mobile retail business through our own retail shops in Indonesia. This also aids in business of Distribution of Operator products and services. In beginning of current financial year, the Group had inducted more Battery Electric Vehicles (BEV) in its fleet for providing passenger land transport services in Singapore, using car hailing application. Consequently, the revenue of BEV has increased against corresponding period/s of preceding financial year. Correspondingly, there has been change in "Purchases and changes in inventories and direct services fee incurred".

There was marginal decrease in operating overheads during Q2 2018/1H 2018 against Q2 2017/1H 2017.

The Group incurred operating loss (before interest, depreciation, amortisation and taxation) of S\$0.03 million during Q2 2018 against earnings of S\$0.3 million during corresponding Q2 2017 and operating earnings of S\$0.6 million during 1H 2018 against S\$0.9 million during corresponding 1H 2017, from continuing operations.

During Q2 2018, the Group disposed off a non operating subsidiary of the Company (please also refer to announcement dated 2nd July 2018), resulting in gain, primarily on account of recycle of translation gain of S\$3.7 million pertaining to the entity disposed off.

During Q2 2018, the group initiated the process of disposal of certain entities of its Cavu group and accordingly Share Purchase Agreement (SPA) was executed on 29th June 2018 (please also refer to announcement dated 2nd July 2018). Consequently, the financial results and assets & liabilities of subject entities have been shown separately under income statement as well as statement of financial position.

The Group earned profit before tax of S\$3.3 million during Q2 2018 & S\$3.6 million during 1H 2018 against S\$0.3 million & S\$0.8 million during corresponding Q2 2017 and 1H 2017 respectively, from continuing operations and translation gain 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 June 2018 was S\$13.5 million against S\$14.9 million as at 31 December 2017. Consequent to mandate for share buyback received at EGM on 1 August 2017, renewed on 30 April 2018, the company has been buying back its shares and till 30 June 2018, 1,366,245 shares have been bought for a consideration (excluding stamp duty and other costs) of S\$4.2 million (Up to 31 December 2017 - S\$3.8 million).

**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 Group's focus on operator driven plans at the cluster levels as required by the operators and their strategic plans in the business of distribution of operator products & services continues. The Group is also trying to maximize sales in the clusters and adhering to all marketing and sales plans which the operators are initiating.

Consequent to intense competition, all operators are creating various product mix/categories and resorting to competitive pricing. This is being done to counter the challenge in the voice related business and focus more on data which is the focus going forward by the operators. The Group continues its engagement with operators in Indonesia for getting market share and is keeping a very close watch on expenses. The Group continues to be diligent and is working with the operators to align with this strategy. The Gross margin remains under pressure worldwide and in Indonesia business, as the Voice business continues to shrink and a shift towards data driven strategy is being implemented.

The ICT distribution & managed services is a highly competitive business primarily due to the economic scenario and continuous changes & innovations happening in this space. The ICT Industry has moved forward as planned to innovative and disruptive offerings & technology and the Cavu group is in the midst of a shift towards futuristic services based offerings like Cloud, IOT and Server consolidation. The group continues to keep its focus on services driven business and key innovative offerings aligned to partner strategy to improve margins.

The group has divested part shareholding and management control in its Cavu group's Malaysia entities and one of the subsidiaries in Singapore, as announced to bring in fresh ideas and also move away from loss making businesses and focus on key markets only.

The group had aligned its battery electric fleet (BEV) with a particular ride hailing app company. Following the merger of that company with another ride hailing company app, the group was required to transition its fleet to the new app. The transition had its challenges and this has created hurdles for the company in achieving its pre set goals.

The group is trying to work with the new partner but is having challenges in this new setup.

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.

As already announced, the name of S i2i Limited has been changed to SEVAK Limited, to reinforce a 'Services oriented' culture in the group.

The Group continues to work on a time bound plan to cut down all loss making businesses, hold and grow profitable businesses, move from Information to Innovation and come out of watch list.

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.**

No dividend has been declared or recommended

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)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
	Quarter ended 30 Jun 2018	Quarter ended 30 Jun 2018
	S\$'000	S\$'000
Smart Global Innovations Pte. Ltd.	-	-

There was neither renewal nor new IPT mandate obtained during the Annual General Meeting of the Company held on 30th April 2018.

**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 June 2018 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 Director & Group Chief Executive Officer**

**14 August 2018**