First Half Year Financial Statements and Dividend announcement for the period ended 30 June 2020 (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:

	Half Year ended 30 Jun		%
	2020	2019	
	S$'000	S$'000	Change
Turnover (Note 1)	137,981	131,360	5.0%
Purchases and changes in inventories and direct service fees incurred (Note 2)	(126,706)	(118,878)	6.6%
Commission and other selling expenses (Note 3)	(87)	(126)	-31.0%
Other income - operating (Note 4)	648	271	139.1%
Operating expenses (Note 5)	(11,810)	(13,062)	-9.6%
Earnings: Operating (before forex, interest, depreciation, amortisation and taxation) from continuing operations	26	(435)	-106.0%
Foreign exchange (loss) gain (Note 12)	(112)	23	N.M.
Earnings: Operating (before interest, depreciation, amortisation and taxation) from continuing operations	(86)	(412)	-79.1%
Other income - non operating (Note 13)	-	2,027	N.M.
Other expenses - non operating (Note 15)	(317)	(99)	220.2%
Interest income from deposits (Note 16)	167	279	-40.1%
Finance costs (Note 17)	(197)	(153)	28.8%
Depreciation of property, plant and equipment (Note 18)	(793)	(801)	-1.0%
Amortisation of intangible assets (Note 18)	(98)	(12)	N.M.
(Loss) / Profit before taxation			
From continuing operations*	(1,324)	829	-259.7%
From discontinued operations (Note 19)	-	(15)	N.M.
(Loss) / Profit before taxation	(1,324)	814	-262.7%
Taxation			
From continuing operations	(76)	(103)	-26.2%
From discontinued operations (Note 19)	-	-	-
Taxation (Note 20)	(76)	(103)	-26.2%
Net (Loss) / Profit after tax for the period			
From continuing operations*	(1,400)	726	-292.8%
From discontinued operations	-	(15)	N.M.
Net (Loss) / Profit after tax	(1,400)	711	-296.9%
(Loss) / Profit attributable to:			
Owners of the parent	(1,400)	709	-297.5%
Non-controlling interest (Note 21)	-	2	N.M.
Total	(1,400)	711	-296.9%

** Please also refer to note 14*

Note 1

Turnover

	Half Year ended 30 Jun		%
	2020	2019	
	S$'000	S$'000	Change
Distribution of operator products and services	117,392	110,638	6.1%
ICT distribution and managed services	20,196	19,968	1.1%
Battery Electric Vehicles (BEVs)	393	754	-47.9%
Total (Note 2)	**137,981**	**131,360**	**5.0%**

Note 2

Revenue from Distribution of operator products and services in Indonesia grew by 6.1% during first six months (1H 2020) of the current financial year ending on 31 December 2020 (FY 2020) against corresponding first six months (1H 2019) of the previous financial year ended on 31 December 2019 (FY 2019). The Group 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 registered a marginal incline of 1.1% during 1H 2020 over corresponding 1H 2019. To retain and grow margins, the subsidiaries engaged in this business also continue to be focusing more on services led business. While Covid 19 had its toll on all businesses of the group, however, BEV business engaged in passenger land transport business in Singapore was worst hit due to travel restrictions. Correspondingly, there has been change in "Purchases and changes in inventories and direct services fee incurred" in respect of businesses referred to above. Margins in case of Distribution of Operator products and services in Affinity group in Indonesia, ICT distribution & managed services and BEV's were under pressure during 1H 2020.

Note 3

The commission 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 including under Job Support Scheme (JSS), infrastructure support services fee and write back of certain liabilities/accruals in past, no longer required.

Note 5

The operating expenses included the following:

	Half Year ended 30 Jun		%
	2020	2019	
	S$'000	S$'000	Change
Personnel costs (Note 6)	(8,027)	(8,161)	-1.6%
Infrastructure costs (Note 7)	(906)	(1,201)	-24.6%
Marketing expenses (Note 8)	(610)	(799)	-23.7%
Other expenses - operating (Note 9)	(2,267)	(2,901)	-21.9%
Total operating overheads	**(11,810)**	**(13,062)**	**-9.6%**

Note 6

Efforts have been made by the group to contain the manpower cost during 1H 2020 against corresponding period 1H 2019, though, without losing sight of operator requirements in Affinity and focus on services in ICT business.

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.

Note 9

Other expenses- operating included the following:

	Half Year ended 30 Jun		%
	2020	2019	
	S$'000	S$'000	Change
Bank charges (Note 10)	(41)	(47)	-12.8%
Collection service fees (Note 10)	(44)	(37)	18.9%
Equipment maintenance (Note 10)	(118)	(184)	-35.9%
Equipment rental (Note 10)	(102)	(105)	-2.9%
Freight and postage charges (Note 10)	(24)	(41)	-41.5%
Printing & stationery (Note 10)	(33)	(54)	-38.9%
Professional fees (Note 10)	(598)	(684)	-12.6%
Provision of allowance of doubtful non-trade debts (Note 11)	(10)	(11)	-9.1%
(Provision/write off) of allowance of doubtful trade debts (Note 11)	(106)	(164)	-35.4%
(Provision) of allowance for stock obsolescence/(write off) of stocks (Note 11)	(57)	(38)	50.0%
Telecommunication expenses (Note 10)	(126)	(172)	-26.7%
Travelling & entertainment expenses (Note 10)	(508)	(689)	-26.3%
Insurance (Note 10)	(106)	(211)	-49.8%
Others	(394)	(464)	-15.1%
Total other expenses - operating	**(2,267)**	**(2,901)**	**-21.9%**

Note 10

The changes in these operating expenses have mainly been corresponding to business requirements, including consequent to Covid-19 and travel restrictions thereof.

Note 11

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

Note 12

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 13

Other income - non-operating included the following:

	Half Year ended 30 Jun		%
	2020	2019	
	S$'000	S$'000	Change
Gain on sale of investment in subsidiaries (Note 14)	-	2,001	-100.0%
(Loss) / Gain on disposal of property, plant & equipment (Note 15)	(1)	1	-200.0%
Others	1	25	-96.0%
Total other income - non operating	**-**	**2,027**	N.M.

Note 14

During 1H 2019/ FY 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.

Note 15

The Non operating expenses mainly consisted costs incurred in respect of certain non recurring/ non operating items and provision/s recognised to adjust the carrying value in respect of certain recoverables.

Note 16

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

Note 17

The movement in finance cost against corresponding period 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 18

The depreciation was mainly on account of battery electric vehicles in Singapore & assets of Affinity group. The amount also included depreciation on Right-of-use assets recognised on 01 January 2019 pursuant to SFRS(I) 16. Amortisation of intangible assets during 1H 2020 had mainly been in respect of certain intangible asset related to Bharat IT, wherein, impairment in past had been reversed to the extent of S$1.7 million duirng preceding financial year 2019.

Note 19

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). Please also refer to Note 14 above.

Note 20

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

Note 21

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.

	Half Year ended 30 Jun		%
	2020	2019	
	S$'000	S$'000	Change
(Loss) / Profit for the period	**(1,400)**	**711**	**-296.9%**
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit and loss:			
Foreign currency translation (Note 22)	46	304	-84.9%
Gain (net) reclassified to profit or loss upon disposal of foreign entities (Note 14)	-	(2,000)	N.M.
Other comprehensive income/ (loss) for the period	**46**	**(1,696)**	**-102.7%**
Total comprehensive loss for the period	**(1,354)**	**(985)**	**37.5%**
Total comprehensive loss attributable to:			
Owners of the parent	(1,361)	(1,010)	34.8%
Non-controlling interest	7	25	-72.0%
Total	**(1,354)**	**(985)**	**37.5%**

N.M. - Not Meaningful

Note 22

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 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019
	S$'000	S$'000	S$'000	S$'000
Current assets	**43,788**	**53,658**	**3,345**	**4,178**
Inventories (Note 23)	13,199	16,107	-	-
Trade receivables (Note 24)	7,672	11,456	112	114
Other receivables and deposits (Note 25)	3,020	3,346	455	392
Contract assets (Note 36)	414	294	-	-
Prepayments (Note 26)	5,678	3,875	102	61
Due from subsidiaries (Note 27)	-	-	1,488	1,750
Fixed deposits (Note 28)	3,286	4,702	30	-
Cash and cash equivalents	9,577	13,126	1,158	1,861
Tax recoverable (Note 29)	942	752	-	-
Non-current Assets	**14,961**	**14,536**	**31,912**	**32,168**
Property, plant and equipment (Note 30)	7,332	7,889	5,692	6,108
Intangible assets (Note 31)	1,784	1,882	7	9
Investments in subsidiaries	-	-	25,268	25,268
Financial Assets, FVPL (Note 32)	201	201	-	-
Investment properties (Note 30)	3,033	2,758	-	-
Long-term loans and advances to subsidiaries (Note 27)	-	-	945	783
Deferred tax assets (Note 33)	397	380	-	-
Prepayments (Note 26)	43	184	-	-
Other receivables and deposits (Note 25)	244	237	-	-
Fixed deposits (Note 28)	1,927	1,005	-	-
Total Assets	**58,749**	**68,194**	**35,257**	**36,346**
Current liabilities	**16,273**	**24,339**	**5,815**	**6,189**
Trade creditors (Note 34)	7,479	11,981	114	110
Other creditors and accruals (Note 35)	4,751	5,102	892	1,094
Contract liabilities (Note 36)	2,529	3,797	-	-
Lease obligations (Note 37)	442	777	277	550
Loans and bank borrowings (Note 38)	933	2,487	-	-
Due to subsidiaries (Note 27)	-	-	4,532	4,435
Tax payable (Note 39)	139	195	-	-
Non-current liabilities	**3,343**	**3,368**	**11,296**	**10,916**
Deferred tax liabilities (Note 33)	545	572	-	-
Provision for employee benefits	959	874	-	-
Contract liabilities (Note 36)	36	41	-	-
Lease obligations (Note 37)	1,803	1,881	1,647	1,647
Long-term loans and advances from subsidiaries (Note 27)	-	-	9,649	9,269
Total Liabilities	**19,616**	**27,707**	**17,111**	**17,105**
Equity attributable to the owners of the parent				
Share capital	548,020	548,020	548,020	548,020
Treasury Shares (Note 40)	(3,547)	(3,547)	(3,547)	(3,547)
Accumulated losses	(491,233)	(489,833)	(516,526)	(515,431)
Other reserves	(5,031)	(5,031)	(9,801)	(9,801)
Translation reserve (Note 22)	(9,011)	(9,052)	-	-
	39,198	**40,557**	**18,146**	**19,241**
Non-controlling interest (Note 21)	(65)	(70)	-	-
Total Equity	**39,133**	**40,487**	**18,146**	**19,241**
Total liabilities and equity	**58,749**	**68,194**	**35,257**	**36,346**

Note 23

Inventories of ICT Distribution & managed services & Distribution of operator products decreased by S$2.6 million and S$0.3 million respectively against 31 December 2019.

Note 24

The decrease (Net) of S$3.8 million in trade receivables was mainly in respect of entities engaged in ICT Distribution, marginally offset by small increase in trade receivables of Affinity group.

Note 25

The Other Receivables and Deposits mainly included Operator's fee, Deposits and GST refund. The decrease has primarily been in respect of Affinity group, offset by increase in respect of ICT Distribution & managed services.

Note 26

The increase in prepayments was mainly in respect of Affinity group, offset by decrease in case of Cavu group.

Note 27

The movement in amounts (Net) due from subsidiaries has mainly been on account of receipt of Service Fee charged by Company and in case of amounts due to subsidiaries, on account of interest payable on amounts received by the company from Affinity group and Cavu group.

Note 28

Fixed deposits include pledged deposits of S$5.28 million primarily for obtaining banking facilities.

Note 29

Tax recoverables were in respect of Bharat IT and Affinity group. The increase during the year had also been in case of both Affinity group and Bharat IT.

Note 30

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.

Note 31

The Intangible Assets mainly consist of Marketing rights, an intangible asset related to Bharat IT, one of the subsidiaries engaged in ICT Distribution and managed services, fleet management software and also in house development of software/s . In line with SFRS(I) 1-36, consequent to review of past performance and value in use of Bharat IT, impairment of the intangible asset, referred to above, had been reversed to the extent of S$1.7 million during FY 2019. The assets are being amortised over their useful period.

Note 32

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

Note 33

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

Note 34

The decrease in Trade Creditors has mainly been in respect of ICT Distribution & managed services, partially offset by increase in Affinity group.

Note 35

The decrease in other creditors and accruals was mainly in respect of the ICT Distribution & managed services, partially offset by increase in case of Affinity group.

Note 36

The contract assets and liabilities were mainly in respect of ICT Distribution & Managed services.

Note 37

The obligations were primarily for acquisition of certain battery electric vehicles by the Company during FY 2018. The decrease has primarily been on account of scheduled repayments of lease obligations, partially offset by movement on account of recognition of corresponding lease liabilities consequent to recognition of Right-of-use assets.

Note 38

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 loans by Cavu group.

Note 39

The decrease in tax payable was mainly in case of Bharat IT and Affinity group.

Note 40

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, had been recognised during FY 2019.

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 Jun 2020		As at 31 Dec 2019	
Secured (S$'000)	Unsecured (S$'000)	Secured (S$'000)	Unsecured (S$'000)
1,375	**-**	**2,312**	**952**

Amount repayable after one year*

1,803	**-**	**1,922**	**-**

* Including lease liabilities consequent to recognition of Right-of-use assets amounting to S$0.2Mn, pursuant to implementation of SFRS(I) 16 with effect from 01 January 2019.

Details of any collateral

a) Subsidiaries' current assets of S$12.69 million (31/12/2019 : S$11.3 million) and property, plant and equipment with carrying amount of S$1.26 million (31/12/2019: S$1.0 million) are pledged as security for bank guarantees, standby letters of credit and other bank services.

b) Corporate guarantees of S$8.0 million (31/12/2019 : S$8.0 million) were given by the Company to enable a subsidiary to obtain credit facility from suppliers and performance bonds from financing companies.

c) Corporate guarantees of S$3.0 million (31/12/2019 : S$3.0 million) were given by the Company to enable a subsidiary to obtain banking facilities.

d) Corporate guarantees of S$1.0 million (31/12/2019 : S$1.0 million) were given by the Company to enable a subsidiary to obtain insurance bond/s from an insurance company.

e) Corporate guarantees of S$5.5 million (31/12/2019 : S$5.5 million) were given by the subsidiary to enable its subsidiaries to obtain credit facility from suppliers. Corporate guarantees of S$0.4 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.

f) Corporate guarantees of S$1.1 million (31/12/2019 : S$1.1 million) were given by the subsidiary to enable its subsidiaries to obtain banking facilities.

g) Corporate guarantees of S$1.0 million (31/12/2019 : S$1.0 million) were given by the subsidiary to enable its subsidiaries to obtain credit facility from a finance company.

h) Corporate guarantees of S$1.9 million (31/12/2019 : S$2.2) 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.

	Half Year ended 30 Jun	
	2020	2019
	S$'000	S$'000
Cash flows from operating activities		
(Loss) / Profit before taxation	**(1,324)**	**829**
Loss before taxation from discontinued operations	-	(15)
Total (Loss) / Profit before taxation	**(1,324)**	**814**
Adjustments for:		
Depreciation and amortisation	891	813
Allowance for/ write off and (Reversal) of doubtful non-trade debts, net	9	22
Allowance for/ write off of doubtful trade debts, net	106	152
Allowance for/ write off and (Reversal) of inventory obsolescence, net	(14)	(7)
Interest income from deposits	(167)	(279)
Gain on disposal of property plant and equipment	1	(1)
Gain on disposal a subsidiary (Note 14 and Note 19)	-	(2,001)
Finance cost	197	153
Unrealised exchange differences	252	129
Others	86	10
Operating profit (loss) before working capital changes	**37**	**(195)**
Decrease/ (Increase) in inventories	2,906	(1,544)
Decrease in trade receivables	3,676	3,485
Decrease/ (Increase) in other receivables and deposits	374	(361)
Increase in prepayments	(1,871)	(1,640)
Decrease in trade creditors	(4,501)	(4,425)
Decrease in other creditors and accruals	(352)	(1,168)
Increase in contract assets	(119)	-
(Decrease)/ Increase in contract liabilities	(1,273)	276
Cash (used in) generated from operating activities	**(1,123)**	**(5,572)**
Interest paid	(197)	(153)
Income tax paid	(370)	(531)
Net cash (used in) generated from operating activities	**(1,690)**	**(6,256)**
Cash flows from investing activities		
Interest income received from deposits	112	199
Proceeds from disposal of property, plant and equipment	7	5
Purchase of property, plant and equipment	(292)	(114)
Purchase of Intangible Assets (Note 31)	-	(204)
Outflow (net) consequent to disposal of investment in subsidiaries	-	(5)
Net cash (used in)/ generated from investing activities	**(173)**	**(119)**
Cash flows from financing activities		
Withdrawal of cash and bank deposits pledged (Note 28)	22	252
(Repayment of) / proceeds from loans and bank borrowings (Note 38)	(1,683)	455
Costs related to partial offer of Company's shares	-	(135)
Repayment of lease obligations (Note 37)	(414)	(276)
Net cash generated from/ (used in) financing activities	**(2,075)**	**296**
Net decrease in cash and cash equivalents	**(3,938)**	**(6,079)**
Cash and cash equivalents at beginning of the period/year	13,532	18,463
Effects of exchange rate changes on the balance of cash held in foreign currencies	(84)	40
Cash and cash equivalents at end of the period/year *	**9,510**	**12,424**

*Excluding pledged deposits of S$5,280,000 (30 Jun 2019: S$5,481,000).

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 2020	**548,020**	**(3,547)**	**(489,833)**	**(5,031)**	**(9,052)**	**40,557**	**(70)**	**40,487**
Total comprehensive income/ (loss) for the period	-	-	(1,400)	-	41	**(1,359)**	5	**(1,354)**
Balance as at 30 June 2020	**548,020**	**(3,547)**	**(491,233)**	**(5,031)**	**(9,011)**	**39,198**	**(65)**	**39,133**
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**

	Share capital	Treasury Shares	Accumulate	Other reserves	Translation reserve	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
The Company						
Balance as at 1 January 2020	**548,020**	**(3,547)**	**(515,431)**	**(9,801)**	**-**	**19,241**
Total comprehensive income for the period	-	-	(1,095)	-	-	**(1,095)**
Balance as at 30 June 2020	**548,020**	**(3,547)**	**(516,526)**	**(9,801)**	**-**	**18,146**
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
Share Issue Cost	-	-	-	(135)	-	(135)
Balance as at 30 June 2019	**548,020**	**(3,547)**	**(508,167)**	**(9,681)**	**-**	**26,625**

* The Group had 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, subdivision, consolidation, 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 Jun 2020	31 Dec 2019
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 Jun 2020	30 Jun 2019
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 Jun 2020 were 1,165,205 (30 Jun 2019: 1,165,205).

Percentage (%) of number of treasury shares against total number of shares as at 30 Jun 2020 were 8.95% (30 Jun 2019: 8.95%).

Total number of subsidiary holdings as at 30 Jun 2020 were Nil (30 Jun 2019: Nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares excluding treasury shares as at 30 Jun 2020 were 11,851,225 (31 Dec 2019 : 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 Jun 2020 (31 Dec 2019: 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.

Yes

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.

Not Applicable.

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	
	Half year ended 30 Jun	
	2020	2019
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)	(11.81) cents	5.98 cents
ii) On a fully diluted basis (S$ cent)	(11.81) cents	5.98 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 :-

	Group		Company	
	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019
Net asset value per ordinary share is calculated based on 11,851,225 (31/12/2019 : 11,851,225) ordinary shares in issue at the end of the period under review and of the immediate preceding financial year **(S$ cent)**.	330.75 cents	342.22 cents	153.12 cents	162.35 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$138.0 million during first six months 1H 2020 of current financial year - an increase of 5% over revenue of corresponding six months 1H 2019 of preceding financial year. Revenue from Distribution of operator products and services in Indonesia grew by 6.1% during first six months (1H 2020) of the current financial year ending on 31 December 2020 (FY 2020) against corresponding first six months (1H 2019) of the previous financial year ended on 31 December 2019 (FY 2019). The Group 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 registered a marginal incline of 1.1% during 1H 2020 over corresponding 1H 2019. To retain and grow margins, the subsidiaries engaged in this business also continue to be focusing more on services led business. While Covid 19 had its toll on all businesses of the group, however, BEV business engaged in passenger land transport business in Singapore was worst hit due to travel restrictions. Correspondingly, there has been change in "Purchases and changes in inventories and direct services fee incurred" in respect of businesses referred to above. Margins in case of Distribution of Operator products and services in Affinity group in Indonesia, ICT distribution & managed services and BEV's were under pressure during 1H 2020.

There was a decrease of 8.6% in Operating expenses during 1H 2020 against 1H 2019.

The Group earned operating earnings (before exchange gain/loss, interest, depreciation, amortisation and taxation) of S$0.03 million during 1H 2020 against loss of S$0.44 million during corresponding 1H 2019.

During preceding financial year 1H 2019/FY 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.

The Group incurred Loss before tax of S$1.3 million during 1H 2020 against Profit before tax of S$0.8 million during corresponding period 1H 2019, from continuing operations.

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 2020 was S$11.6 million against S$13.7 million as at 31 December 2019, primarily on account of increase in prepayments, decrease in trade creditors, scheduled repayment of loan/s, partially offset by decrease in inventory and trade receivables.

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 observes a tough scenario in business due to the Covid-19 pandemic in all 3 business units. The effects were observed in late March and finally the lockdowns in various countries like Singapore, India, Indonesia and China started happening progressively (starting from late March to early April and onwards). This had an impact on all our Business Units namely - Distribution of Operator Products and Services, ICT distribution & managed services and Battery Electric Vehicles (BEV) business.

The BEV business was affected the most as during the lockdown there was no ridership or business for the EVs which are deployed via a B2B/rental model through Grab. The business was mostly none for nearly 50-60 days during lockdown, and then gradually now the company observes the business coming back to about 50-60% efficiency approx. The company is keeping a close watch on the trend. The BEV business is estimated to have a continued challenge as long as the effect of Covid 19 lingers on and as long as the full tourism, hospitality, and F&B business does not open up. However, considering that the BEV business is still at a early stage, the impact on this doesn’t have a material effect on the Group financials.

The Indonesia business of Distribution of Operator Products and Services also saw a dip in the Bali and Denpesar area where tourism was badly hit, as the tourism industry nearly fell by 90% there during lockdown. Other clusters in Indonesia also saw some dip; but due to an increase in the demand in the data services business that revenues could be sustained, however, margins are still under pressure.

The ICT business had certain ongoing projects were affected but mostly the ICT business sustained itself in Q1 and some part of Q2 on the momentum it had created form the back log of pipeline and the current ongoing demand. ICT was sustained during mostly as technology became the bridge for many as we all learnt to Work From Home. For H2 the company has to wait and watch how the demand pans out on customer/project buying and how long the pandemic stretches out.

The company is closely watching the changes in the market conditions due to Covid 19 scenario and will follow all Government guideline in each countries to run and maintain the business to the best of its capabilities. If needed the company may have to take pre emptive resource action at all levels to manage cost and keep the company running and sustain its cash during this tough period of pandemic as it may last for a long period based on certain media reports. This may include roles restructuring, roles shifting to low cost countries, salary restructuring and also corporate actions which may become imminent as we move forward in these tough market scenario in the H2 2020.

Certain cost cutting actions have already been taken in H1, as mostly all Singapore companies got affected and took actions, and certain relevant authorities and staff have been informed as needed. All these challenges have come over and above the other Industry challenges the company was facing before as in the normal business. This may become the new normal, and the Board and company is committed to fight this through in the best possible manner it can.

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) Record 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) Half year ended 30 Jun 2020 S$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000) Half year ended 30 Jun 2020 S$'000
Nil	-	-

There was neither renewal nor new IPT mandate obtained during the Annual General Meeting of the Company held on 29th June 2020.

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 half year ended 30 Jun 2020 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
Group Chief Executive Officer
SEVAK Limited

14 August 2020