



DIGILIFE TECHNOLOGIES LIMITED
(Formerly known as Sevak Limited)
(Incorporated in Singapore)

Condensed Interim Financial Statements
For the Six Months ended 30 June 2021

DIGILIFE TECHNOLOGIES LIMITED
(Incorporated in Singapore)

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DIGILIFE TECHNOLOGIES LIMITED
(Incorporated in Singapore)

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

	Half Year ended 30 June		%
	2021	2020	
	S\$'000	S\$'000	Change
Turnover (Note 5)	120,068	137,981	-13.0%
Purchases and changes in inventories and direct service fees incurred	(108,802)	(126,706)	-14.1%
Commission and other selling expenses	(137)	(87)	57.5%
Other income - operating	229	648	-64.7%
Operating expenses (Note 6)	(12,060)	(11,810)	2.1%
<i>Earnings (before forex, interest, depreciation, amortisation and taxation)</i>	<i>(702)</i>	<i>26</i>	N.M.
Foreign exchange loss	(216)	(112)	92.9%
<i>Earnings (before interest, depreciation, amortisation and taxation)</i>	<i>(918)</i>	<i>(86)</i>	N.M.
Other income - non operating (Note 7)	48	-	N.M.
Other expenses - non operating	(727)	(317)	N.M.
Interest income from deposits	112	167	-32.9%
Finance costs	(65)	(197)	-67.0%
Depreciation of property, plant and equipment	(694)	(793)	-12.5%
Amortisation of intangible assets	(105)	(98)	7.1%
Loss before taxation	(2,349)	(1,324)	77.4%
Taxation	(267)	(76)	N.M.
Loss after tax	(2,616)	(1,400)	86.9%
Loss attributable to:			
Owners of the parent	(2,616)	(1,400)	86.9%
Non-controlling interest	-	-	N.M.
Total	(2,616)	(1,400)	86.9%

N.M. – Not meaningful

The accompanying accounting policies and explanatory notes form an integral part of the interim condensed financial statements

DIGILIFE TECHNOLOGIES LIMITED
(Incorporated in Singapore)

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

	Half Year ended 30 June		%
	2021	2020	
	S\$'000	S\$'000	Change
Loss for the period	(2,616)	(1,400)	86.9%
Other comprehensive income:			
Items that may be reclassified subsequently to profit and loss:			
Foreign currency translation	31	46	-32.6%
Other comprehensive income for the period	31	46	-32.6%
Total comprehensive loss for the period	(2,585)	(1,354)	90.9%
Total comprehensive loss attributable to:			
Owners of the parent	(2,582)	(1,361)	89.7%
Non-controlling interest	(3)	7	N.M.
Total	(2,585)	(1,354)	90.9%

The accompanying accounting policies and explanatory notes form an integral part of the interim condensed financial statements

DIGILIFE TECHNOLOGIES LIMITED
(Incorporated in Singapore)

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Group		Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Current Assets	41,729	42,637	2,043	2,317
Inventories (Note 11)	10,244	11,658	-	-
Trade receivables (Note 12)	10,050	10,183	51	52
Other receivables and deposits	2,596	1,832	213	335
Prepayments	4,215	4,027	84	41
Due from subsidiaries	-	-	996	564
Cash and cash equivalents (Note 13)	11,345	10,504	699	1,295
Fixed deposits	1,701	2,860	-	30
Financial assets, at FVPL	-	201	-	-
Tax recoverable	1,578	1,372	-	-
Non-current Assets	12,569	12,976	29,405	29,673
Property, plant and equipment (Note 14)	6,316	6,634	4,896	5,307
Investment properties (Note 15)	2,884	2,897	-	-
Intangible assets (Note 16)	1,489	1,718	3	5
Investments in subsidiaries	-	-	23,985	23,985
Long-term loans and advances to subsidiaries	-	-	521	376
Deferred tax assets	552	568	-	-
Other receivables and deposits	122	101	-	-
Prepayments	-	23	-	-
Fixed deposits	1,206	1,035	-	-
Total Assets	54,298	55,613	31,448	31,990
Current Liabilities	15,263	15,286	5,881	6,258
Trade creditors	6,396	6,365	47	46
Other creditors and accruals	4,685	4,314	712	887
Contract liabilities	3,282	1,674	-	-
Lease obligations	385	726	301	583
Loans and bank borrowings (Note 17)	323	2,031	50	100
Due to subsidiaries	-	-	4,771	4,642
Tax payable	192	176	-	-
Non-current Liabilities	3,638	3,431	11,050	10,881
Lease obligations	1,172	1,165	1,085	1,085
Provision for employee benefits	1,123	1,036	-	-
Contract liabilities	450	515	-	-
Deferred tax liabilities	518	540	-	-
Loans and bank borrowings (Note 17)	375	175	175	175
Long-term loans and advances from subsidiaries	-	-	9,790	9,621
Total Liabilities	18,901	18,717	16,931	17,139
Equity attributable to the owners of the parent				
Share capital (Note 18)	548,020	548,020	548,020	548,020
Treasury shares (Note 19)	(1,098)	(3,547)	(1,098)	(3,547)
Accumulated losses	(495,283)	(492,667)	(521,241)	(519,821)
Other reserves	(6,394)	(5,031)	(11,164)	(9,801)
Translation reserve	(9,784)	(9,818)	-	-
	35,461	36,957	14,517	14,851
Non-controlling interest	(64)	(61)	-	-
Total Equity	35,397	36,896	14,517	14,851
Total Liabilities and Equity	54,298	55,613	31,448	31,990

The accompanying accounting policies and explanatory notes form an integral part of the interim condensed financial statements

DIGILIFE TECHNOLOGIES LIMITED
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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

	Equity attributable to the owner of the parent						Non-controlling interest S\$'000	Total Equity S\$'000
	Share capital S\$'000	Treasury Shares S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Translation reserve S\$'000	Total S\$'000		
The Group								
Balance as at 1 January 2021	548,020	(3,547)	(492,667)	(5,031)	(9,818)	36,957	(61)	36,896
Total comprehensive (loss)/ income for the period	-	-	(2,616)	-	34	(2,582)	(3)	(2,585)
Re-issue of treasury shares under Performance Share Plan 2021	-	2,449	-	(1,363)	-	1,086	-	1,086
Balance as at 30 June 2021	548,020	(1,098)	(495,283)	(6,394)	(9,784)	35,461	(64)	35,397
Balance as at 1 January 2020	548,020	(3,547)	(489,833)	(5,031)	(9,052)	40,557	(70)	40,487
Total comprehensive (loss)/ income for the period	-	-	(1,400)	-	39	(1,361)	7	(1,354)
Balance as at 30 June 2020	548,020	(3,547)	(491,233)	(5,031)	(9,013)	39,196	(63)	39,133

	Share capital S\$'000	Treasury Shares S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Translation reserve S\$'000	Total S\$'000
The Company						
Balance as at 1 January 2021	548,020	(3,547)	(519,821)	(9,801)	-	14,851
Total comprehensive loss for the period	-	-	(1,420)	-	-	(1,420)
Re-issue of treasury shares under Performance Share Plan 2021	-	2,449	-	(1,363)	-	1,086
Balance as at 30 June 2021	548,020	(1,098)	(521,241)	(11,164)	-	14,517
Balance as at 1 January 2020	548,020	(3,547)	(515,431)	(9,801)	-	19,241
Total comprehensive loss for the period	-	-	(1,095)	-	-	(1,095)
Balance as at 30 June 2020	548,020	(3,547)	(516,526)	(9,801)	-	18,146

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DIGILIFE TECHNOLOGIES LIMITED
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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

	Half Year ended 30 June	
	2021	2020
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before taxation	(2,349)	(1,324)
Adjustments for:		
Depreciation and amortisation	799	891
Allowance for/ write off of doubtful non-trade debts, net	83	9
(Reversal)/ Allowance for/ write off of doubtful trade debts, net	(3)	106
Allowance for/ write off and (Reversal) of inventory obsolescence, net	230	(14)
Interest income from deposits	(112)	(167)
(Gain)/ Loss on disposal of property plant and equipment	(46)	1
Fair value changes for financial assets, at FVPL	201	-
Finance cost	65	197
Unrealised exchange differences	78	252
Others	100	86
Operating (loss)/ profit before working capital changes	(954)	37
Changes in working capital:		
Decrease in inventories	1,209	2,906
Decrease in trade receivables	129	3,676
(Increase)/ Decrease in other receivables and deposits	(875)	374
Increase in prepayments	(165)	(1,871)
Increase/ (Decrease) in trade creditors	31	(4,501)
Increase/ (Decrease) in other creditors and accruals	371	(352)
Increase in contract assets	-	(119)
Increase/ (Decrease) in contract liabilities	1,543	(1,273)
Cash generated from/ (used in) operating activities	1,289	(1,123)
Interest paid	(65)	(197)
Income tax paid	(492)	(370)
Net cash generated from/ (used in) operating activities	732	(1,690)
Cash flows from investing activities		
Interest income received from deposits	127	112
Proceeds from disposal of property, plant and equipment	186	7
Purchase of property, plant and equipment	(421)	(292)
Net cash used in investing activities	(108)	(173)
Cash flows from financing activities		
Withdrawal of cash and bank deposits pledged	500	22
Repayment of loans and bank borrowings	(1,498)	(1,683)
Costs related to transfer of Company's shares	1,086	-
Repayment of lease obligations	(334)	(414)
Net cash used in financing activities	(246)	(2,075)
Net increase/ (decrease) in cash and cash equivalents	378	(3,938)
Cash and cash equivalents at beginning of the period	8,328	13,532
Effects of exchange rate changes on the balance of cash held in foreign currencies	(26)	(84)
Cash and cash equivalents at end of the period (Note 13)	8,680	9,510

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DIGILIFE TECHNOLOGIES LIMITED
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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 General

Digilife Technologies Limited (formerly known as Sevak Limited) (the “Company”) is a limited liability company, incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). On 26 February 2021, the Company transferred its listing from the Main Board to the Catalist of the SGX-ST.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group).

The registered office and principal place of business of the Company is located at 152 Ubi Avenue 4, Smart Innovation Centre, Singapore 408826.

The principal activities of the Group are distribution of telecom operator’s products and services, rendering ICT managed services and products distribution and passenger land transport.

2 Basis of Preparation

The condensed interim consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and the performance of the Group since the last annual financial statements for the year ended 31 December 2020.

There were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 December 2020, which were in accordance with SFRS(I)s.

The condensed interim consolidated financial statements are presented in Singapore dollars (“S\$”), which is the Company’s functional currency, and all values are rounded to the nearest thousand (“S\$’000”) except when otherwise indicated

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Uses of Estimates and Judgements

The preparation of the condensed interim consolidated financial statements in conformity with SFRS(I) 1-34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of Preparation (cont'd)

2.2 Uses of Estimates and Judgements (cont'd)

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next reporting period are included in the following notes:

Note 11 *Allowance for inventories obsolescence*

Note 12 *Impairment of trade receivables*

3. Seasonal operations

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

4 Segment Reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. For financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment taking into account the following factors:

- I. the nature of the products;
- II. the type or class of customer for their products and services; and
- III. methods used to distribute their products to the customers or provide their services.

i. Operating Segments

The main operating segments of the Group are:

a. Telecom:

- (i) Distribution of mobile prepaid cards; and
- (ii) Sale of mobile handsets, related products and services.

b. Technology

1. Information and Communications Technology ("ICT") distribution & managed services:

- (i) Supply, rental, maintenance and servicing of computer hardware and peripheral equipment;

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4 Segment Reporting (cont'd)

i. Operating Segments (cont'd)

b. Technology (cont'd)

1. Information and Communications Technology (“ICT”) distribution & managed services: (cont'd)

- (ii) Systems integration service related to computer equipment and peripherals, storage systems, networking products, customised solutions and software products;
- (iii) Networking and routing solutions for large enterprise networks with related switches, monitors, solutions, hardware and facilities management services;
- (iv) Cloud computing and innovative data, security, backup, disaster recovery solutions with related infrastructure services; and
- (v) Internet service provider (“ISP”) service that offers an extensive portfolio of data services includes broadband, lease line access, private network, network security, hosted services and Information Technology (“IT”) solutions to corporate users and consumers.

2. Battery electric vehicles (“BEV”) comprising:

- (i) Business of battery electric vehicles and passenger land transport.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4 Segment Reporting (cont'd)

i. Operating Segments (cont'd)

	2021					
	Half year ended 30 June 2021					
	Telecom	Technology		Inoperative companies	Operations related to disposed companies	Group total (S\$'000)
		ICT distribution and managed services	Battery Electric Vehicles			
Turnover	100,634	18,900	534	-	-	120,068
Profit/(Loss) before taxation (excluding depreciation, amortization, HQ costs and other non operating items)	1,594	110	74	(1,944)	-	(166)
Depreciation and amortisation	(179)	(174)	(399)	(47)	-	(799)
HQ costs (country)	(701)	-	-	-	-	(701)
Non operating items (net)	(221)	(201)	-	(261)	-	(683)
Taxation	(142)	(125)	-	-	-	(267)
Profit/(Loss) after taxation	351	(390)	(325)	(2,252)	-	(2,616)
Net Profit/(Loss) for the period	351	(390)	(325)	(2,252)	-	(2,616)

	2021						
	Half year ended 30 June 2021						
	Telecom	Technology		Inoperative companies	Operations related to disposed companies	IHQ (Unallocated)	Group total (S\$'000)
ICT distribution and managed services		Battery Electric Vehicles					
Segment assets	21,876	25,703	5,294	603	-	822	54,298
Segment liabilities	3,579	12,818	1,502	101	-	901	18,901
Capital expenditure	142	279	-	-	-	-	421

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4 Segment Reporting (cont'd)

i. Operating Segments (cont'd)

	2020					
	Half year ended 30 June 2020					
	Telecom	Technology		Inoperative companies	Operations related to disposed companies	Group total (\$'000)
		ICT distribution and managed services	Battery Electric Vehicles			
Turnover	117,392	20,196	393	-	-	137,981
Profit/(Loss) before taxation (excluding depreciation, amortization, HQ costs and other non operating items)	854	672	27	(1,149)	-	404
Depreciation and amortisation	(225)	(211)	(404)	(51)	-	(891)
HQ costs (country)	(518)	-	-	-	-	(518)
Non operating items (net)	(3)	(101)	(76)	(139)	-	(319)
Taxation	(114)	50	-	(12)	-	(76)
(Loss)/ Profit after taxation	(6)	410	(453)	(1,351)	-	(1,400)
Net (Loss)/ Profit for the period	(6)	410	(453)	(1,351)	-	(1,400)

	2020					
	Half year ended 30 June 2020					
	Telecom	Technology		Inoperative companies	Operations related to disposed companies	IHQ (Unallocated)
		ICT distribution and managed services	Battery Electric Vehicles			Group total (\$'000)
Segment assets	24,732	24,959	5,939	1,539	-	1,581
Segment liabilities	6,086	10,483	2,081	108	-	858
Capital expenditure	141	53	-	98	-	-
						292

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4 Segment Reporting (cont'd)

ii. Geographical Information

The Group has organised geographical segments according to the region in which the reporting Company is incorporated in. Assets and capital expenditure are based on the location of the assets.

	Turnover		Assets		Capital Expenditure	
	Six months ended	Six months ended			Six months ended	Six months ended
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Southeast Asia	111,450	131,093	39,688	44,375	142	288
South Asia	7,853	6,888	13,925	13,637	279	4
Others	765	-	685	738	-	-
Total	120,068	137,981	54,298	58,750	421	292

5 Turnover

Turnover comprises the following:

	Half Year ended 30 June		%
	2021	2020	
	S\$'000	S\$'000	Change
Distribution of operator products and services	100,634	117,392	-14.3%
ICT distribution and managed services	18,900	20,196	-6.4%
Battery Electric Vehicles	534	393	35.9%
Total Turnover	120,068	137,981	-13.0%

	Half Year ended 30 June	
	2021	2020
	S\$'000	S\$'000
Turnover from the sale of goods	117,517	135,997
Turnover from the rendering of services	2,551	1,984
Total Turnover	120,068	137,981

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5 Turnover (cont'd)

Disaggregation of revenue from contracts with customers

	At a point in time	Over time	Total
	S\$'000	S\$'000	S\$'000
<i>Half year ended 30 June 2021</i>			
Telecom			
Distribution of operator products and services			
- Indonesia	100,634	-	100,634
Technology			
ICT distribution and managed services			
- Singapore	9,030	1,998	11,028
- India	4,383	3,470	7,853
	13,413	5,468	18,881
Battery electric vehicles/others			
- Singapore	-	553	553
Total Turnover	114,047	6,021	120,068

	At a point in time	Over time	Total
	S\$'000	S\$'000	S\$'000
<i>Half year ended 30 June 2020</i>			
Telecom			
Distribution of operator products and services			
- Indonesia	117,391	-	117,391
Technology			
ICT distribution and managed services			
- Singapore	11,743	1,463	13,206
- India	3,521	3,423	6,944
	15,264	4,886	20,150
Battery electric vehicles/others			
- Singapore	-	440	440
Total Turnover	132,655	5,326	137,981

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

6 Operating Expenses

	Half Year ended 30 June		%
	2021	2020	
	S\$'000	S\$'000	Change
Personnel costs	(8,761)	(8,027)	9.1%
Infrastructure costs	(750)	(906)	-17.2%
Marketing expenses	(456)	(610)	-25.2%
Other expenses - operating (Note 8)	(2,093)	(2,267)	-7.7%
Total operating expenses	(12,060)	(11,810)	2.1%

Personnel costs includes cost for Digilife Technologies Performance Share Plan 2021 of S\$1,086,000 (30 June 2020: S\$ Nil).

7 Other Income – Non-Operating

	Half Year ended 30 June		%
	2021	2020	
	S\$'000	S\$'000	Change
Gain/ (Loss) on disposal of property, plant & equipment	46	(1)	N.M.
Others	2	1	100.0%
Total other income - non operating	48	-	N.M.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

8 Other Expenses – Operating

	Half Year ended 30 June		%
	2021	2020	
	S\$'000	S\$'000	Change
Bank charges	(43)	(41)	4.9%
Collection service fees	(34)	(44)	-22.7%
Equipment maintenance	(131)	(118)	11.0%
Equipment rental	(97)	(102)	-4.9%
Freight and postage charges	(32)	(24)	33.3%
Printing & stationery	(28)	(33)	-15.2%
Professional fees	(630)	(598)	5.4%
Write back/(Provision) of allowance of doubtful non-trade debts	1	(10)	N.M.
Write back/(Provision/write off) of allowance of doubtful trade debts	3	(106)	N.M.
(Provision) of allowance for stock obsolescence/(write off) of stocks	(91)	(57)	59.6%
Telecommunication expenses	(103)	(126)	-18.3%
Travelling & entertainment expenses	(488)	(508)	-3.9%
Insurance	(119)	(106)	12.3%
Others	(301)	(394)	-23.6%
Total other expenses - operating	(2,093)	(2,267)	-7.7%

9 Earnings per Share

	Group	
	Half year ended 30 June	
	2021	2020
Earning per ordinary share for the period after deducting any provision for preference dividends:-		
i) Based on weighted average number of ordinary share in issue	(21.11) cents	(11.81) cents
ii) On a fully diluted basis	(21.11) cents	(11.81) cents

10 Net Asset Value per Share

	Group		Company	
	30 June 2021	31 December 2020	30 June 2021	31 Dec 2020
Net asset value per ordinary share (S\$ cent)	280.19 cents	311.84 cents	114.71 cents	125.31 cents

Net asset value per ordinary share is calculated based on 12,655,859 (31 December 2020: 11,851,225) ordinary shares (excluding treasury shares) in issue at the end of the period under review and of the immediate preceding financial year.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

11 Inventories

	Group		Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Inventories	10,244	11,658	-	-

Inventories of distribution of operator products decreased by S\$2.2 million while ICT distribution & managed services inventories increased by S\$0.7 million respectively against corresponding period in preceding year.

12 Trade Receivables

	Group		Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables	12,888	13,344	495	487
Less: Allowance for impairment	(2,838)	(3,161)	(444)	(435)
Net trade receivables	10,050	10,183	51	52

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The Group holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Allowance for impairment for trade receivables has always been measured at an amount equal to lifetime expected credit losses ("ECL"). The Group has recognised a loss allowance of 100% against certain receivables over 365 days past due (credit-impaired) because historical experience has indicated that these receivables are generally not recoverable. There has been no change in the estimation techniques or significant assumptions made during the current reporting year. None of the trade receivables that have been written off is subject to recovery process.

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group's provision for loss allowance is determined based on the default rate by credit rating of customers, obtained from independent credit rating companies.

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13 Cash and Cash Equivalents

Cash and cash equivalents comprise the following:

	Group		Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed deposits	2,812	3,529	-	700
Cash and bank balances	8,533	6,975	699	595
	11,345	10,504	699	1,295
Less: Cash and bank deposits pledged	(2,812)	(2,829)	-	-
Add: Unpledged fixed deposits	148	653	30	30
Cash and cash equivalents per statement of cash flows	8,680	8,328	729	1,325

Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions.

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents are presented net of pledged fixed deposits.

14 Property, Plant and Equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to S\$421,000 (30 June 2020: \$292,000) and disposal of assets amounting to S\$18,000 (30 June 2020: S\$25,000).

15 Investment Properties

	Group	
	30 June 2021	30 June 2020
	S\$'000	S\$'000
<i>At fair value</i>		
Balance at the beginning of financial year	2,897	2,758
Transferred from property, plant and equipment	-	268
Translation Reserve	(13)	7
Balance at the end of interim period	2,884	3,033

The Group's policy is for investment property to be measured at fair value for which the Group completes property valuations at least annually by independent registered valuers at the end of the year. The Group did not engage an independent valuer to determine the fair value of the properties as at 30 June 2021. However, the Management had taken into considerations those underlying factors that would have impact to the fair value of the investment properties since the last valuation completed in December 2020; including any tenant changes, assessing market rentals, etc. There is no major aspects that could affect the fair value of the investment properties as at 30 June 2021.

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16 Intangible Assets

	Goodwill	Software, licensing, patents and trademarks	Customer contracts	Order backlog	Customer relationship	Marketing rights	Deferred development costs	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 31 December 2020								
Cost	131,116	26,344	53	631	53,420	5,086	3,784	220,434
Accumulated amortisation and impairment	(131,116)	(26,292)	(53)	(631)	(53,420)	(3,548)	(3,656)	(218,716)
Net carrying amount	-	52	-	-	-	1,538	128	1,718
6 months ended 30 June 2021								
Opening net carrying amount	-	52	-	-	-	1,538	128	1,718
Written off		-	-	-	-	-	(122)	(122)
Amortised charge		(10)	-	-	-	(86)	(8)	(104)
Translation differences	-	(5)	-	-	-	-	2	(3)
Closing net carrying amount	-	37	-	-	-	1,452	-	1,489
As at 30 June 2021								
Cost	130,754	26,316	53	631	53,420	5,086	3,664	219,924
Accumulated amortisation and impairment	(130,754)	(26,279)	(53)	(631)	(53,420)	(3,634)	(3,664)	(218,435)
Net carrying amount	-	37	-	-	-	1,452	-	1,489

No impairment indicators were identified as at 30 June 2021 based on the business performance. The Group performed its annual impairment test in December 2020. The key assumptions used to determine the recoverable amount for the intangible assets were disclosed in the annual consolidated financial statements for the year ended 31 December 2020.

	Licensing, patents and trademarks	Deferred development costs	Total
	S\$'000	S\$'000	S\$'000
As at 31 December 2020			
Cost	2,394	3,660	6,054
Accumulated amortisation and impairment	(2,389)	(3,660)	(6,049)
Net carrying amount	5	-	5
6 months ended 30 June 2021			
Opening net carrying amount	5	-	5
Amortised charge	(2)	-	(2)
Closing net carrying amount	3	-	3
As at 30 June 2021			
Cost	2,394	3,660	6,054
Accumulated amortisation and impairment	(2,391)	(3,660)	(6,051)
Net carrying amount	3	-	3

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17 Loans and Bank Borrowings

	Group		Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Loans and bank borrowings - current	323	2,031	50	100
Loans and bank borrowings - non current	375	175	175	175
Total	698	2,206	225	275

The current loans of the Group bear interest rates of between 2.25% and 11% (2020: between 2.25% and 11%) per annum and are repayable within the next 12 months.

The non-current loan of the Group for the current financial year bears interest rate of between 2.25% and 7% (2020: 2.25%) per annum and is repayable within the next 5 years.

	As at 30 June 2021		As at 31 December 2020	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	273	50	1,931	100
Amount repayable after one year	375	-	175	-

Details of any collateral

- a) Subsidiaries' current assets of S\$12.36 million (31 December 2020: S\$11.85 million) and property, plant and equipment with carrying amount of S\$1.04 million (31 December 2020: S\$2.25 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 December 2020: 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 December 2020: 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 December 2020: 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\$5.6 million (31 December 2020: 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\$0.3 million (31 December 2020: S\$1.1 million) were given by the subsidiary to enable its subsidiaries to obtain banking facilities.

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17 Loans and Bank Borrowings (cont'd)

- g) Corporate guarantees of S\$1.4 million (31 December 2020: S\$1.6 million) were given by the subsidiary to enable the Company to obtain banking facilities.

18 Share Capital

	No. of Shares	
	30 June 2021	31 December 2020
Issued shares at the beginning and 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 June 2021	30 Jun 2020
Options granted under 2014 Digilife Employees' Stock Option plan	-	-
Options granted under 2021 Digilife Performance Share Plan	-	-

Total number of subsidiary holdings as at 30 June 2021 were Nil (30 June 2020: Nil).

19 Treasury Shares

	No. of Shares	
	30 June 2021	31 December 2020
Treasury shares at the beginning of the period	1,165,205	1,165,205
Re-issue of treasury shares	(804,634)	-
Total treasury shares at the end of the period	360,571	1,165,205

Treasury shares relate to ordinary shares of the Company that are held by the Company presented as a component within shareholders' equity. There were no purchase or cancellation of treasury shares during the current and previous financial period.

During the current financial period, a total of 804,634 treasury shares was re-issued in accordance with Digilife Technologies Performance Share Plan 2021.

Percentage (%) of number of treasury shares against total number of shares as at 30 June 2021 were 2.77% (30 June 2020: 8.95%).

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20 Related Party Transactions

Name of interested person	Group	
	Half year ended 30 June	
	2021	2020
	S\$'000	S\$'000
Smart Bharat Private Limited	996	-

Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920).

The transaction with Smart Bharat Private Limited is subject to the Company entering into a definitive agreement and independent shareholders' approval. Please refer to Company's announcement dated 23 June 2021 for more details.

There was neither renewal nor new IPT mandate obtained during the Annual General Meeting of the Company held on 30 April 2021.

21 Financial Assets and Financial Liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	Group		Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Trade receivables (Note 12)	10,050	10,183	51	52
Other receivables and deposits	2,718	1,933	213	335
Due from subsidiaries	-	-	996	564
Cash and cash equivalents (Note 13)	11,345	10,504	699	1,295
Fixed deposits	2,907	3,895	-	30
Financial assets, at FVPL	-	201	-	-
Tax recoverable	1,578	1,372	-	-
Long-term loans and advances to subsidiaries	-	-	521	376
Total financial assets	28,598	28,088	2,480	2,652
Financial liabilities				
Trade creditors	6,396	6,365	47	46
Other creditors and accruals	4,685	4,314	712	887
Lease obligations	1,557	1,891	1,386	1,668
Loans and bank borrowings (Note 17)	698	2,206	225	275
Due to subsidiaries	-	-	4,771	4,642
Long-term loans and advances from subsidiaries	-	-	9,790	9,621
Total financial liabilities	13,336	14,776	16,931	17,139

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

22 Subsequent Events

Digilife Technologies Performance Share Plan 2021 (“PSP 2021”)

Subsequent to the financial period ended 30 June 2021, a total of 863,954 shares has been allotted and granted to 23 employees, including the Independent Directors, Chief Executive Officer and Chief Financial Officer, in accordance with the PSP 2021.

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1. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The interim statements of financial position of Digilife Technologies Limited (the “Company” and its subsidiaries, the “Group”) as at 30 June 2021 and the related interim consolidated statement of profit or loss and other comprehensive income, interim statements of changes in equity and interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company’s auditors.

2. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

3. 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.

Statements of Profit or Loss and Other Comprehensive Income

Turnover

The Group recorded a turnover of S\$120.0 million for the period ended 30 June 2021 (“1H 2021”), a decrease of 13% compared to the previous corresponding period (“1H 2020”). The on-going COVID-19 outbreak led to a series of measures by countries across the world to contain the spread of the virus. The resurgence of the virus in variant form and lockdown across countries had an impact on the respective businesses of the Group.

Consequently, it led to decline in revenue of 14.3% in Distribution of Operator Products and Services (“Telecom”) and 6.4% in ICT Distribution and Managed Services (“ICT”), cushioned by an increase of 35.9% Battery Electric Vehicles (“BEV”) during the 1H 2021.

Notwithstanding increased pressure on margins for the three business segments’, the Telecom segment in Indonesia continues to sell multi-brand, MNC mobile devices through its retail shops in Indonesia. While the subsidiaries in ICT segment continues to focus more on services led business, the BEVs segment which engaged in passenger land transport business in Singapore had been progressively picking up with easing of travel restrictions. Margins in case of Telecom, ICT and BEV were under pressure during the year.

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3. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. (cont'd)

Operating expenses

The operating expenses includes cost for Digilife Technologies Performance Share Plan 2021 ("PSP 2021") of S\$1.09 million, resulted in an increase of 2.1% in operating expenses during 1H 2021. If it does not include the cost of PSP 2021, the decrease will be 7.1%.

Operating loss (before exchange gain/loss, interest, depreciation, amortisation and taxation) and loss after tax for the period

The Group has reported an operating loss (before exchange gain/loss, interest, depreciation, amortisation and taxation) of S\$0.7 million in 1H 2021, as compared to S\$0.03 million in 1H 2020. The Group has reported a loss after tax for the period of S\$2.6 million in 1H 2021, as compared to S\$1.4 million in 1H 2020. The loss mainly contributed by one-time, non-recurring expense of S\$1.09 million for cost of PSP 2021. Excluding PSP 2021, the group made an operating profit of S\$0.38 million on adjusted basis.

Statements of Financial Position

Current assets

The current assets as at 30 June 2021 decreased by S\$0.91 million mainly due to decreased in inventories by S\$1.41 million and decreased in fixed deposits by S\$1.16 million, partially offset by increased in other receivables and deposits by S\$0.76 million and increased in cash and cash equivalents by S\$0.84 million.

Non-current assets

The non-current assets as at 30 June 2021 decreased by S\$0.41 million mainly due to decrease in property, plant and equipment by S\$0.32 million as a results from additions and disposal activities, and decrease in intangible assets by S\$0.23 million as a results of write off and amortisation, partially offset by increase in fixed deposits by S\$0.17 million.

Current liabilities

The current liabilities as at 30 June 2021 decreased by S\$0.02 million mainly due to repayment of loans and borrowings for Telcom and ICT segment by S\$1.71 million, partially offset by increase in other creditors by S\$0.37 million and increase in contract liabilities by S\$1.61 million as a results of new contracts entered by ICT segment.

Non-current liabilities

The non-current liabilities as at 30 June 2021 increased by S\$0.21 million mainly due to increase in loan and borrowings by S\$0.20 million as a result of additional loan taken up by ICT segment.

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3. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. (cont'd)

Equity

Equity attributable to the owners of the Company decreased by S\$1.50 million mainly due to loss after tax recognised of S\$2.62 million coupled with the re-issuance of treasury shares under PSP 2021 which had resulted in decrease of other reserves by S\$1.36 million which was partially offset by decrease in treasury shares by S\$2.45 million.

Statement of Cash Flows

For 1H 2021, the Group's net cash generated from operating activities of S\$0.73 million, mainly due to decrease in inventories and trade receivables, partially offset by increase in other receivables and prepayments. The net cash used in investing activities of S\$0.11 million was mainly due to purchase and disposal of property, plant and equipment. The net cash used in financing activities of S\$0.25 million, mainly due to repayment of lease obligations.

As of 30 June 2021, the Group's cash and cash equivalents is S\$11.35 million.

4. 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.

5. 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 COVID-19 pandemic caused a massive global economic disruption. All major markets that the Group has presence in such as Singapore, India and Indonesia are still severely affected. Despite the overall decrease in revenue for 1H 2021, all three business segments have shown resilience in an extended adverse environment by maintaining revenues to certain extent while achieving persistent cash inflows.

Even during tough times, the Group did not rely on retrenching any staff. As part of our cost savings measure, the Group did salary deferment for the top/middle management level. The Group is also continuously trying to achieve cost efficiencies to improve margins. The Group observed a slight improvement in operating profit margins of Telecom segment and BEV segment of 2% and 14% respectively in 1H 2020, up from 1% and 7% respectively in 1H 2020. Intense competition coupled with restricted business environment due to the prolonged pandemic, will lead to substantial pressure on margins in all the business segments and the Group remains cautious on the challenges ahead.

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5. 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. (*cont'd*)

Telecom segment

The Telecom segment saw a dip in revenue due to the second wave lockdown in Indonesia, sustained by an increase in data usage and an increase of smartphone penetration in Indonesia. The overall environment in the Telecom sector remains challenging with margins under intense pressure due to intense competition, further coupled with the COVID-19 impact. The Telecom sector Indonesia is still in the structural transition phase from legacy services (voice and SMS) to data services. The ongoing consolidation talks between Telcos players highlighted the pursuit of scale in an already concentrated marketplace. With the push towards 5G, it will also be challenging for Telcos to absorb the initial 5G investment costs without an immediate return on investment. The Group foresees a substantial pressure on overall industry margins to continue, which will percolate to distributors as well. The Group is watching closely the market conditions with possibility of market consolidation and technological changes. To keep the operations running and sustain cash during this extended pandemic period, the Group will consider divesting low margin and non-strategic businesses.

ICT segment

The prolonged pandemic environment has led to significant impact on the supply-chain of products. This further resulted in delayed project completions and extended trade cycles. During 1H 2021, the Group observed that clients were tightening their budgets to reduce discretionary spending. This led to the decline in revenue for ICT segment. The Group expects that the pent up demand may possibly emerge in the coming months, with severe pressure on the margins to continue. The Group will consider divesting low margin and non-strategic businesses.

BEV segment

The BEV business was worst hit during FY 2020 due to travel restrictions. Despite the limited opening of activities and transport in Singapore, it has experienced an increase in revenue during 1H 2021. However, business is yet to fully resume to Pre-COVID levels, as seen from the rising COVID-19 cases in Singapore. The Group is tying up with new app-based third party car rental platforms to improve utilization of vehicles. The Group is also analysing the possible impacts of new incentive schemes on electric vehicles by the Government.

The Group is constantly monitoring all the relevant geographies and business segments, as the circumstances arising from the COVID-19 pandemic are still evolving. The Group will continue to evaluate tactical and strategic measures to navigate through the market uncertainties and its strategic business plans for long term sustainability and improving profitability.

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6. Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on?
No dividend is declared.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Record date

Not applicable

7. If no dividend has been declared/recommendeded, a statement to that effect.

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

8. Interested person transactions

Please refer to Notes 20 of condensed interim consolidated financial statements.

9. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the form set out in appendix 7H) under rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers in the required format.

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Confirmation by the Board

We, the undersigned, hereby confirm on behalf of the Board of Directors (the “Board”) that to the best of our knowledge, nothing has come to the Board’s attention which may render the condensed interim financial statements of the Group for the six-month financial period ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Maneesh Tripathi
Non-Independent Non-Executive Director

Doraraj S/O Sinnappan
Lead Independent Director

Singapore
13 August 2021

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, RHT Capital Pte. Ltd. (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

*The details of the contact person for the Sponsor is:
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