FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

SEVAK LIMITED

Securities

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Fourth Quarter & Full Year Financial Statements for the year ended 31 December 2019.

Please see the attached.

Additional Details

For Financial Period Ended

31/12/2019

Attachments

FY2019%20Q4%20Announcement%20r13_FINAL.pdf

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Fourth Quarter Financial Statements and Dividend announcement for the year ended 31 December 2019 (Unaudited)

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

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

	Quarter ended 31 Dec		%	Twelve months ended 31 Dec		%
	2019	2018		2019	2018	
	S$'000	S$'000	Change	S$'000	S$'000	Change
Turnover (Note 1)	80,365	69,789	15.2%	290,849	281,079	3.5%
Purchases and changes in inventories and direct service fees incurred (Note 2)	(74,080)	(61,454)	20.5%	(264,753)	(252,361)	4.9%
Commissions and other selling expenses (Note 3)	(102)	(102)	0.0%	(325)	(324)	0.3%
Other income - operating (Note 4)	169	3,823	-95.6%	546	4,263	-87.2%
Operating expenses (Note 5)	(6,346)	(11,232)	-43.5%	(26,121)	(30,961)	-15.6%
Other income - non operating (Note 13)	1,775	207	N.M.	3,808	4,405	-13.6%
Other expenses - non operating (Note 17)	(621)	(76)	N.M.	(630)	(76)	N.M.
Interest income from deposits (Note 18)	145	156	-7.1%	539	486	10.9%
Finance costs (Note 19)	(140)	(79)	77.2%	(391)	(496)	-21.2%
Depreciation of property, plant and equipment (Note 20)	(404)	(328)	23.2%	(1,589)	(1,240)	28.1%
Amortisation of intangible assets (Note 20)	(17)	(1)	N.M.	(35)	(5)	N.M.
Profit / (Loss) before taxation						
From continuing operations*	744	703	5.8%	1,898	4,770	-60.2%
From discontinued operations (Note 21)	-	-	-	(15)	(78)	-80.8%
Profit before taxation	744	703	5.8%	1,883	4,692	-59.9%
Taxation						
From continuing operations	(671)	(423)	58.6%	(853)	(943)	-9.5%
From discontinued operations (Note 21)	-	-	-	-	-	-
Taxation (Note 22)	(671)	(423)	58.6%	(853)	(943)	-9.5%
Net Profit / (Loss) after tax for the period						
From continuing operations*	73	280	-74.1%	1,045	3,827	-72.7%
From discontinued operations	-	-	-	(15)	(78)	-80.8%
Net Profit after tax	73	280	-74.1%	1,030	3,749	-72.5%
Profit attributable to:						
Owners of the parent	73	280	-74.1%	1,028	3,749	-72.6%
Non-controlling interest (Note 23)	-	-	-	2	-	N.M.
Total	73	280	-74.1%	1,030	3,749	-72.5%

** Please also refer to note 14*

Note 1

Turnover

	Quarter ended 31 Dec		%	Twelve months ended 31 Dec		%
	2019	2018		2019	2018	
	S$'000	S$'000	Change	S$'000	S$'000	Change
Distribution of operator products and services	69,111	56,679	21.9%	244,741	238,145	2.8%
ICT distribution and managed services	10,975	12,759	-14.0%	44,733	41,345	8.2%
Battery Electric Vehicles (BEVs)	279	351	-20.5%	1,375	1,589	-13.5%
Total (Note 2)	**80,365**	**69,789**	**15.2%**	**290,849**	**281,079**	**3.5%**

Note 2

Revenue from Distribution of operator products and services in Indonesia grew by 21.9% during fourth quarter (Q4 2019) and 2.8% during the financial year (FY 2019) ended 31 December 2019 against corresponding quarter (Q4 2018) and preceding financial year (FY 2018) ended 31 December 2018 respectively. The Group continues to be diligent and has been successfully working with the operators to align with their strategies to cross over the transition of voice to data and disruption due to technology based other distribution channels, thereby progressively arresting the decline in revenue. With these actions, the Group has been successful in securing newer business territories from one of the telecom operators and also expansion of its existing business territory by another one of them. After many quarters, Group's Indonesia operations have registered growth in its revenue concurrently during Q3 2019 and Q4 2019 over corresponding quarters. The Group also continues to sell multi-brand, MNC mobile devices through its own retail shops in Indonesia, as this aids in business of Distribution of Operator products and services. Strengthening of IDR against presentation currency SGD has also resulted in visibly higher increase in revenue over corresponding period/s. Revenue from ICT distribution and managed services, also being projects driven business, registered a decline of 14.0% during Q4 2019 and growth of 8.2% during FY 2019 over corresponding Q4 2018 and FY 2018 respectively. To retain and grow margins, the subsidiaries engaged in this business also continue to be focusing more on services led business. Visible drop in revenue in business of BEVs has primarily been on account of shift from employment model to rental model in main. Correspondingly, there has been change in "Purchases and changes in inventories and direct services fee incurred". Margins in case of Distribution of Operator products and services in Affinity group in Indonesia and Cavu group in Singapore were under pressure during FY 2019. Please also refer to Note 4 and Note 10.

Note 3

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

Note 4

Other income - operating mainly included rentals from certain properties, Government subsidy, rebate/incentive from principals, infrastructure support services fee and write back of certain liabilities/accruals in past, no longer required. During corresponding Q4 2018/ FY 2018, pursuant to an arrangement with one of the Telecom operators in Indonesia, Affinity group extinguished certain inventories valuing approximately S$6.0 million of the Operator and correspondingly, the Operator relinquished its right to certain receivables of approximately S$3.9 million from Affinity group. In addition, Affinity group also charged to the operator, a fee of approximately S$2.2 million. The amounts have been recognised under Other expenses - Operating, Other income - Operating and Turnover respectively.

Note 5

The operating expenses included the following:

	Quarter ended 31 Dec		%	Twelve months ended 31 Dec		%
	2019	2018		2019	2018	
	S$'000	S$'000	Change	S$'000	S$'000	Change
Personnel costs (Note 6)	(4,095)	(3,491)	17.3%	(16,370)	(16,021)	2.2%
Infrastructure costs (Note 7)	(622)	(682)	-8.8%	(2,411)	(2,596)	-7.1%
Marketing expenses (Note 8)	(463)	(356)	30.1%	(1,556)	(1,271)	22.4%
Other expenses - operating (Note 9)	(1,166)	(6,703)	-82.6%	(5,784)	(11,073)	-47.8%
Total operating overheads	**(6,346)**	**(11,232)**	**-43.5%**	**(26,121)**	**(30,961)**	**-15.6%**

Note 6

Increase in manpower cost during Q4 2019 and FY 2019 has largely been due to increase in manpower cost of Affinity group, primarily due to operator driven manpower requirement/planning including on account of newer and expansion of business territories in Q4 2019 and ICT Distribution & managed services. The increase has partially been offset by decrease in case of BEVs due to shift from employment model to rental model.

Note 7

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

Note 8

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

Note 9

Other expenses- operating included the following:

	Quarter ended 31 Dec		%	Twelve months ended 31 Dec		%
	2019	2018		2019	2018	
	S$'000	S$'000	Change	S$'000	S$'000	Change
Bank charges (Note 10)	(35)	(65)	-46.2%	(103)	(126)	-18.3%
Collection service fees (Note 10)	(23)	(34)	-32.4%	(75)	(259)	-71.0%
Equipment maintenance (Note 10)	287	222	N.M.	(283)	(170)	66.5%
Equipment rental (Note 10)	(52)	(77)	-32.5%	(212)	(251)	-15.5%
Foreign exchange gain (Note 11)	(9)	115	-107.8%	97	196	-50.5%
Freight and postage charges (Note 10)	(26)	(28)	-7.1%	(90)	(86)	4.7%
Printing & stationery (Note 10)	(26)	(21)	23.8%	(110)	(88)	25.0%
Professional fees (Note 10)	(210)	(212)	-0.9%	(1,288)	(1,336)	-3.6%
(Provision)/write back of allowance of doubtful non-trade debts (Note 12)	(5)	(17)	-70.6%	(23)	(11)	N.M.
(Provision/write off)/ Write back of allowance of doubtful trade debts (Note 12)	(12)	92	-113.0%	(192)	72	N.M.
(Provision)/write back of allowance for stock obsolescence/(write off) of stocks (Note 12)	(368)	(5,858)	N.M.	(429)	(6,063)	-92.9%
Telecommunication expenses (Note 10)	(84)	(87)	-3.4%	(349)	(367)	-4.9%
Travelling & entertainment expenses (Note 10)	(407)	(377)	8.0%	(1,521)	(1,432)	6.2%
Insurance (Note 10)	(80)	(101)	-20.8%	(318)	(290)	9.7%
Others	(116)	(255)	-54.5%	(888)	(862)	3.0%
Total other expenses - operating	**(1,166)**	**(6,703)**	**-82.6%**	**(5,784)**	**(11,073)**	**-47.8%**

Note 10

The changes in these operating expenses have mainly been corresponding to business requirements. Apparent large decline in Equipment maintenance during Q4 2019 has been on account of reclassification to Purchases and changes in inventories and direct service fee incurred in respect of Bharat IT, engaged in ICT Distribution & managed services.

Note 11

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

Note 12

The amounts mainly represented allowances to adjust carrying value of trade/non trade receivables including on account of SFRS(I) 9 and inventories. In regards to write off of stocks during corresponding Q4 2018 and FY 2018, please also refer to Note 4.

Note 13

Other income - non-operating included the following:

	Quarter ended 31 Dec		%	Twelve months ended 31 Dec		%
	2019	2018		2019	2018	
	S$'000	S$'000	Change	S$'000	S$'000	Change
Gain on sale of investment in subsidiaries (Note 14)	-	-	N.M.	2,001	4,184	-52.2%
Gain on disposal of property, plant & equipment (Note 15)	20	-	N.M.	27	14	92.9%
Gain on revaluation of investment property (Note 32)	4	184	-97.8%	4	183	-97.8%
Reversal of Impairment on Intangible Assets (Note 16)	1,750	-	N.M.	1,750	-	N.M.
Others	1	23	N.M.	26	24	8.3%
Total other income - non operating	**1,775**	**207**	**N.M.**	**3,808**	**4,405**	N.M.

Note 14

During Q1 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. During Q3 2018/FY 2018, the Group completed disposal of certain entities under its Cavu group ((please also refer to announcement dated 2 July 2018), engaged in ICT distribution and managed services and consequently recognised gain of S$0.2 million (net of recycle of translation loss of S$.06 million) on its disposal and also gain of S$0.2 million on account of fair valuation of remaining shares in these disposed entities turned associates. During preceding year FY 2018, the Group had also disposed off a non operating subsidiary of the Company (please also refer to announcement dated 2 July 2018), resulting in gain, primarily on account of recycle of translation gain of S$3.7 million pertaining to the entity disposed off.

Note 15

The gain has mainly been on account of disposal of building/s, no longer required for operations, in Indonesia.

Note 16

In line with SFRS(I) 1-36, consequent to review of past performance and value in use of Bharat IT, one of the subsidiaries engaged in ICT distribution & managed services, impairment of certain intangible asset has been reversed to the extent of S$1.7 million during Q4 2019/FY 2019. Correspondingly, deferred tax liability of S$0.4 million has also been recognised as Tax expense. Remaining estimated life of the asset has also been increased to 10 years from 5 years.

Note 17

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 18

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

Note 19

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

Note 20
The increase in depreciation during Q4 2019/FY 2019 over corresponding period/s Q4 2018/FY 2018 was mainly on account of battery electric vehicles. The amount during Q4 2019/FY 2019 also included depreciation on Right-of-use assets recognised on 01 January 2019 (Please also refer to Note 7 above). Amortisation of intangible assets during Q4 2019/FY 2019 had mainly been in respect of a fleet management software for BEVs and the intangible asset consequent to reversal of its impairment (Please also see Note 16).

Note 21
During Q1 2019, the Group completed the disposal of one of its subsidiaries (please also refer to announcement dated 26 March 2019 and Note 14 above). During FY 2018, the Group had also disposed of a non operating subsidiary of the Company and certain entities of its Cavu group (please also refer to announcement dated 2 July 2018). Consequently, in terms of SFRS(I) 5, the financial results of subject entities have been shown separately under income statement. Please also refer to Note 14 above.

Note 22
The taxation was mainly in respect of Bharat IT engaged in ICT Distribution & managed services and Affinity group. During FY 2019, taxation of Bharat IT has also been affected by recognition of service fee billed by the Company and deferred tax liability consequent to reversal of impairment of an intangible asset (Please also refer to Note 16).

Note 23
Profit attributable to Non-controlling interest was mainly related to one of the subsidiaries of Affinity group.

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

	Quarter ended 31 Dec		**%**	**Twelve months ended 31 Dec**		**%**
	2019	**2018**		**2019**	**2018**	
	S$'000	**S$'000**	**Change**	**S$'000**	**S$'000**	**Change**
Profit for the period	**73**	**280**	**-74.1%**	**1,030**	**3,749**	**-72.5%**
Other comprehensive income/(loss):						
Items that may be reclassified subsequently to profit and loss:						
Foreign currency translation (Note 24)	(458)	686	-166.8%	110	(1,568)	-107.0%
Gain (net) reclassified to profit or loss upon disposal of foreign entities (Note 14)	-	-	-	(2,000)	(3,671)	N.M.
Items that will not be reclassified subsequently to profit and loss:						
Revaluation of property, plant and equipment	18	117	N.M.	18	117	N.M.
Remeasurement of defined benefit pension plan	(81)	200	-140.5%	(81)	200	-140.5%
Other comprehensive income/ (loss) for the period	**(521)**	**1,003**	**-151.9%**	**(1,953)**	**(4,922)**	**-60.3%**
Total comprehensive income/ (loss) for the period	**(448)**	**1,283**	**-135.0%**	**(923)**	**(1,173)**	**-21.3%**
Total comprehensive income/ (loss) attributable to:						
Owners of the parent	(448)	1,307	-134.3%	(945)	(1,183)	-20.1%
Non-controlling interest	-	(24)	N.M.	22	10	120.0%
Total	**(448)**	**1,283**	**-134.9%**	**(923)**	**(1,173)**	**-21.3%**

N.M. - Not Meaningful

Note 24
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	
	31 Dec 19	31 Dec 18	31 Dec 19	31 Dec 18
	S$'000	S$'000	S$'000	S$'000
Current assets	**53,658**	**54,521**	**4,178**	**6,218**
Inventories (Note 25)	16,107	10,360	-	-
Trade receivables (Note 26)	11,456	13,257	114	112
Other receivables and deposits (Note 27)	3,346	4,015	392	1,032
Contract assets (Note 39)	294	-		
Prepayments (Note 28)	3,875	2,986	61	72
Due from subsidiaries (Note 29)	-	-	1,750	178
Cash and bank deposits pledged (Note 30)	4,296	4,838	-	-
Cash and cash equivalents	13,532	18,462	1,861	4,824
Tax recoverable (Note 31)	752	603	-	-
Non-current Assets	**14,536**	**13,336**	**32,168**	**33,077**
Property, plant and equipment (Note 32)	7,889	8,885	6,108	6,949
Intangible assets (Note 33)	1,882	16	9	13
Investments in subsidiaries (Note 34)	-	-	25,268	25,198
Financial Assets, FVPL (Note 35)	201	201	-	-
Investment properties (Note 32)	2,758	2,630	-	-
Long-term loans and advances to subsidiaries (Note 29)	-	-	783	917
Deferred tax assets (Note 36)	380	336	-	-
Trade receivables (Note 26)	-	5	-	-
Prepayments (Note 28)	184	95	-	-
Other receivables and deposits (Note 27)	237	273	-	-
Cash and bank deposits pledged (Note 30)	1,005	895	-	-
Total Assets	**68,194**	**67,857**	**36,346**	**39,295**
Current liabilities	**24,339**	**23,015**	**6,189**	**10,315**
Trade creditors (Note 37)	11,981	10,563	110	112
Other creditors and accruals (Note 38)	5,102	6,309	1,094	1,335
Contract liabilities (Note 39)	3,797	2,776	-	-
Lease obligations (Note 40)	777	532	550	532
Loans and bank borrowings (Note 41)	2,487	2,304	-	-
Due to subsidiaries (Note 29)	-	-	4,435	8,336
Tax payable (Note 42)	195	531	-	-
Non-current liabilities	**3,368**	**3,121**	**10,916**	**5,485**
Deferred tax liabilities (Note 36)	572	207	-	-
Provision for employee benefits	874	700	-	-
Contract liabilities (Note 39)	41	17	-	-
Lease obligations (Note 40)	1,881	2,197	1,647	2,197
Long-term loans and advances from subsidiaries (Note 29)	-	-	9,269	3,288
Total Liabilities	**27,707**	**26,136**	**17,105**	**15,800**
Equity attributable to the owners of the parent				
Share capital	548,020	578,249	548,020	578,249
Treasury Shares (Note 43)	(3,547)	(3,535)	(3,547)	(3,535)
Accumulated losses	(489,833)	(520,824)	(515,431)	(541,354)
Other reserves	(5,031)	(4,172)	(9,801)	(9,100)
Translation reserve (Note 24)	(9,052)	(7,905)	-	(765)
	40,557	**41,813**	**19,241**	**23,495**
Non-controlling interest (Note 23)	(70)	(92)	-	-
Total Equity	**40,487**	**41,721**	**19,241**	**23,495**
Total liabilities and equity	**68,194**	**67,857**	**36,346**	**39,295**

Note 25
Inventories of Distribution of operator products and ICT Distribution & managed services increased by S$2.6 million and S$2.8 million respectively against 31 December 2018.

Note 26
The decrease of S$1.8 million in trade receivables was mainly in respect of entities engaged in ICT Distribution & Affinity group.

Note 27
The Other Receivables and Deposits mainly included Operator's fee, GST refund and receivables on account of support services provided to a related party. The decrease has primarily been in respect of Company and ICT Distribution & managed services, offset by increase in case of Affinity group. Receivables on account of support services provided to related party have been received during the FY 2019.

Note 28
The increase in prepayments was mainly in respect of Cavu group.

Note 29
The increase in amounts (Net) due to subsidiaries has mainly been on account of amounts received by the company from Affinity group and taking over of the amounts payable by the subsidiary in Hongkong (Disposed in Q1 2019 - please also refer to Note 14 above) to another subsidiary in China. To facilitate the disposal of the subsidiary in Hongkong, the Company has taken over 100% shares of one of the subsidiaries in China, owned by the Hongkong subsidiary (Please also refer to announcement dated 26 March 2019). Similarly, the increase in amounts (Net) due from subsidiaries has mainly been on account of Service Fee charged by the Company.

Note 30

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

Note 31

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

Note 32

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, disposal of building no longer required and reclassification to Investment Properties during FY 2019, partially offset by currency translation effects, additions in fixed assets and recognition of "Right-of-use assets" - consequent to implementation of SFRS(I) 16 - Leases with effect from 1 January 2019.

Note 33

The increase in Intangible Assets has largely been on account of reversal of impairment loss of an intangible asset related to Bharat IT, one of the subsidiaries engaged in ICT Distribution and managed services (Please also refer to Note 16), fleet management software and also in house development of software/s .

Note 34

The increase in investment in subsidiaries has primarily been on account of acquisition of 100% shares in one of the subsidiaries in China. Please also refer to the announcement dated 26 March 2019 and Note 29 above. Consequent to review of its investments, the Company has also recognised S$4.1 million (Net) on account of partial impairment of its investment in certain subsidiaries, largely in case of subsidiary in China referred to above, largely offsetting the increase during the year.

Note 35

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

Note 36

The deferred tax assets/liabilities were in respect of Bharat IT and Affinity. The increase during the year had mainly been consequent to reversal of impairment loss of intangible asset of Bharat IT (Please also refer to Note 16 and Note 33).

Note 37

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

Note 38

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

Note 39

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

Note 40

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 increase on account of recognition of corresponding lease liabilities consequent to recognition of Right-of-use assets (Please also refer to Note 33 above).

Note 41

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

Note 42

The decrease in tax payable was mainly in case of Bharat IT, partially offset by increase in Affinity group.

Note 43

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

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

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

As at 31/12/2019		As at 31/12/2018	
Secured (S$'000)	Unsecured (S$'000)	Secured (S$'000)	Unsecured (S$'000)
2,312	**952**	**2,836**	**-**

Amount repayable after one year*

1,922	**-**	**2,197**	**-**

* Including lease liabilities consequent to recognition of Right-of-use assets amounting to S$0.5Mn, pursuant to implementation of SFRS(I) 16 with effect from 01 January 2019.

Details of any collateral

a) Subsidiaries' current assets of S$11.3 million (31/12/2018 : S$10.5 million) and property, plant and equipment with carrying amount of S$1.0 million (31/12/2018: S$0.7 million) are pledged as security for bank guarantees, standby letters of credit and other bank services.

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

c) Corporate guarantees of S$3.0 million (31/12/2018 : Nil) were given by the Company to enable a subsidiary to obtain banking facilities.

d) Corporate guarantees of S$1.0 million (31/12/2018 : Nil) 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 (31/12/2018 : S$5.7 million) were given by the subsidiary to enable its subsidiaries to obtain credit facility from suppliers. Corporate guarantees of S$0.7 million were given to one of the entities of Cavu group that have been disposed during FY 2018. Counter guarantees of equivalent amount have been obtained from the buyer of the subject entity.

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

g) Corporate guarantees of S$1.0 million (31/12/2018 : Nil) were given by the subsidiary to enable its subsidiaries to obtain credit facility from a finance company.

h) Corporate guarantees of S$2.2 million (31/12/2018 : S$2.7) were given by the subsidiary to enable the Company to obtain banking facilities.

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

	Quarter ended 31 Dec		Twelve months ended 31 Dec	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities				
Profit before taxation	**744**	**703**	**1,898**	**4,770**
Loss before taxation from discontinued operations	-	-	(15)	(78)
Total Profit before taxation	**744**	**703**	**1,883**	**4,692**
Adjustments for:				
Depreciation and amortisation	420	329	1,624	1,250
Allowance for/ write off and (Reversal) of doubtful non-trade debts, net	5	4	22	38
Allowance for/ write off of doubtful trade debts, net	(6)	(84)	166	(74)
Allowance for/ write off and (Reversal) of inventory obsolescence, net	2,091	5,853	2,104	5,459
Interest income from deposits	(145)	(156)	(539)	(486)
Gain on revaluation of investment properties	(4)	(183)	(4)	(183)
Reversal of impairment on intangible assets	(1,750)	-	(1,750)	-
Gain on disposal of property plant and equipment	(20)	-	(27)	(14)
Gain on disposal a subsidiary (Note 14 and Note 21)	-	-	(2,001)	(4,184)
Finance cost	140	79	391	503
Unrealised exchange differences	(473)	375	(220)	(1,390)
Others	152	(186)	174	(262)
Operating profit (loss) before working capital changes	**1,154**	**6,734**	**1,823**	**5,349**
Decrease/ (Increase) in inventories	(2,584)	(876)	(7,893)	3,610
Decrease/ (Increase) in trade receivables	142	(3,343)	1,150	(2,597)
Decrease/ (Increase) in other receivables and deposits	1,494	747	608	2,977
Decrease/ (Increase) in prepayments	307	3,147	(978)	505
(Decrease)/ Increase in trade creditors	(1,393)	161	1,419	(2,357)
(Decrease)/ Increase in other creditors and accruals	(124)	397	(1,283)	454
Increase in contract assets	(294)	-	(294)	-
Increase/ (Decrease) in contract liabilities	1,337	242	1,045	238
Cash (used in) generated from operating activities	**39**	**7,209**	**(4,403)**	**8,179**
Interest paid	(123)	(190)	(332)	(503)
Income tax paid	(215)	(379)	(990)	(1,250)
Net cash (used in) generated from operating activities	**(299)**	**6,640**	**(5,725)**	**6,426**
Cash flows from investing activities				
Interest income received from deposits	238	200	570	583
Proceeds from disposal of property, plant and equipment	369	6	378	32
Purchase of property, plant and equipment	155	(2)	(66)	(387)
Purchase of Intangible Assets (Note 34)	175	-	(176)	-
Outflow (net) consequent to disposal of investment in subsidiaries	-	(134)	(5)	(118)
Net cash (used in)/ generated from investing activities	**937**	**70**	**701**	**110**
Cash flows from financing activities				
Withdrawal of cash and bank deposits pledged (Note 30)	141	3,427	431	2,362
(Repayment of) / proceeds from loans and bank borrowings (Note 42)	1,657	(164)	615	(2,053)
Share buyback (Note 44)	-	(1,234)	(57)	(2,205)
Costs related to partial offer of Company's shares (Note 44)	-	-	(196)	-
(Repayment of) Proceeds from lease obligations (Note 41)	(120)	(88)	(534)	(103)
Net cash generated from/ (used in) financing activities	**1,678**	**1,941**	**259**	**(1,999)**
Net decrease in cash and cash equivalents	**2,316**	**8,651**	**(4,765)**	**4,537**
Cash and cash equivalents at beginning of the period/year	11,427	9,400	18,462	14,190
Effects of exchange rate changes on the balance of cash held in foreign currencies	(211)	411	(165)	(265)
Cash and cash equivalents at end of the period/year	**13,532**	**18,462**	**13,532**	**18,462**

1(d)(i) **A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Equity attributable to the owner of the parent						Non-controlling interest	Total Equity
	Share capital	Treasury Shares	Accumulated losses	Other reserves	Translation reserve	Total		
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
The Group								
Balance as at 1 January 2019	**578,249**	**(3,535)**	**(520,824)**	**(4,172)**	**(7,905)**	**41,813**	**(92)**	**41,721**
Effects on initial application of SFRS(I) 16*	-	-	(56)	-	-	(56)	-	(56)
Effects of change in functional currency**	(30,229)	(12)	29,922	(446)	765	-	-	-
Adjusted balance as at 1 January 2019	**548,020**	**(3,547)**	**(490,958)**	**(4,618)**	**(7,140)**	**41,757**	**(92)**	**41,665**
Total comprehensive income/ (loss) for the period	-	-	957	-	(1,454)	**(497)**	22	**(475)**
Cost related to partial offer	-	-	-	(198)	-	(198)	-	**(198)**
Share Buy Back	-	-	-	(57)	-	(57)	-	**(57)**
Balance as at 30 September 2019	**548,020**	**(3,547)**	**(490,001)**	**(4,873)**	**(8,594)**	**41,005**	**(70)**	**40,935**
Total comprehensive income/ (loss) for the period	-	-	168	(158)	(458)	**(448)**	-	**(448)**
Balance as at 31 December 2019	**548,020**	**(3,547)**	**(489,833)**	**(5,031)**	**(9,052)**	**40,557**	**(70)**	**40,487**
Balance as at 1 January 2018	**580,518**	**(3,779)**	**(524,773)**	**(4,108)**	**(2,656)**	**45,202**	**(102)**	**45,100**
Total comprehensive income/ (loss) for the period	-	-	3,471	(3)	(5,958)	**(2,490)**	34	**(2,456)**
Share Buy Back	-	(858)	-	(113)	-	**(971)**	-	**(971)**
Cancellation of Treasury Shares	(1,102)	1,102	-	-	-	-	-	**-**
Balance as at 30 September 2018	**579,416**	**(3,535)**	**(521,302)**	**(4,224)**	**(8,614)**	**41,741**	**(68)**	**41,673**
Total comprehensive (loss)/ income for the period	-	-	478	120	709	**1,307**	(24)	**1,283**
Share Buy Back	-	(1,167)	-	(68)	-	**(1,235)**	-	**(1,235)**
Cancellation of Treasury Shares	(1,167)	1,167	-	-	-	-	-	**-**
Balance as at 31 December 2018	**578,249**	**(3,535)**	**(520,824)**	**(4,172)**	**(7,905)**	**41,813**	**(92)**	**41,721**

	Share capital	Treasury Shares	Accumulated losses	Other reserves	Translation reserve	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
The Company						
Balance as at 1 January 2019	**578,249**	**(3,535)**	**(541,354)**	**(9,100)**	**(765)**	**23,495**
Effects of change in functional currency**	(30,229)	(12)	29,137	(446)	765	**(785)**
Adjusted balance as at 1 January 2019	**548,020**	**(3,547)**	**(512,217)**	**(9,546)**	**-**	**22,710**
Total comprehensive income for the period	-	-	3,319	-	-	**3,319**
Cost related to partial offer	-	-	-	(198)	-	**(198)**
Share Buy Back	-	-	-	(57)	-	**(57)**
Balance as at 30 September 2019	**548,020**	**(3,547)**	**(508,898)**	**(9,801)**	**-**	**25,774**
Total comprehensive income for the period	-	-	(6,533)	-	-	**(6,533)**
Cost related to partial offer	-	-	-	-	-	**-**
Share Buy Back	-	-	-	-	-	**-**
Balance as at 31 December 2019	**548,020**	**(3,547)**	**(515,431)**	**(9,801)**	**-**	**19,241**
Balance as at 1 January 2018	**580,518**	**(3,779)**	**(534,342)**	**(8,919)**	**(816)**	**32,662**
Total comprehensive loss for the period	-	-	(1,916)	-	38	(1,878)
Share Buy Back	-	(858)	-	(113)	-	(971)
Cancellation of Treasury Shares	(1,102)	1,102	-	-	-	-
Balance as at 30 September 2018	**579,416**	**(3,535)**	**(536,258)**	**(9,032)**	**(778)**	**29,813**
Total comprehensive (loss)/ income for the period	-	-	(5,096)	-	13	(5,083)
Share Buy Back	-	(1,167)	-	(68)	-	(1,235)
Cancellation of Treasury Shares	(1,167)	1,167	-	-	-	-
Balance as at 31 December 2018	**578,249**	**(3,535)**	**(541,354)**	**(9,100)**	**(765)**	**23,495**

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

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

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs , exercise of share options or warrants , conversion of other issues of equity securities , issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, , if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial period. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

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

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

	No. of Shares	
	31 Dec 19	**31 Dec 18**
Options granted under 1999 Sevak Employees' Share Option Scheme II	-	-
Options granted under 2014 Sevak Employees' Stock Option plan *	-	-

Total number of shares held as treasury shares as at 31 Dec 2019 were 1,165,205 (31 Dec 2018: 1,165,205).

Percentage (%) of number of treasury shares against total number of shares as at 31 Dec 2019 were 8.95% (31 Dec 2018: 8.95%).

Total number of subsidiary holdings as at 31 Dec 2019 were Nil (31 Dec 2018: Nil).

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

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

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

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

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

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

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

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as stated in Paragraph 5, the Group has adopted the same accounting policies and methods of computation as the audited financial statements for the year ended 31 December 2018.

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

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

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

For more focus on the performance of operating segments, their title/s and presentation have been restructured. With Mobile devices distribution business having been largely marginalised, the group has only been selling multi-brand MNC mobile devices through its own retail shops in Indonesia as it aided in its business of Distribution of operator products and services. Consequently, it has decided to merge its operating segment titled as Mobile devices distribution and retail with Distribution of operator products and services. Accordingly, previous year values have also been rearranged to facilitate the comparison.

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 31 Dec		**Twelve months ended 31 Dec**	
	2019	**2018**	**2019**	**2018**
Earning per ordinary share from continuing and discontinued operations for the period after deducting any provision for preference dividends:-				
i) Based on weighted average number of ordinary share in issue (S$ cent)	0.61 cents	2.28 cents	8.67 cents	30.66cents
ii) On a fully diluted basis (S$ cent)	0.61 cents	2.28 cents	8.67 cents	30.66cents

7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :- (a) current financial period reported on; and (b) immediately preceding financial year.

	Group		Company	
	31 Dec 19	**31 Dec 18**	**31 Dec 19**	**31 Dec 18**
Net asset value per ordinary share is calculated based on 11,851,225 (31/12/2018 : 11,851,225) ordinary shares in issue at the end of the period under review and of the immediate preceding financial year **(S$ cent)**.	342.22 cents	352.82 cents	162.35 cents	198.25 cents

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

The Group recorded a turnover of S$80.4 million during current quarter Q4 2019 - an increase of 15.2% over revenue of corresponding quarter Q4 2018. Revenue from Distribution of operator products and services in Indonesia grew by 21.9% during fourth quarter (Q4 2019) and 2.8% during the financial year (FY 2019) ended 31 December 2019 against corresponding quarter (Q4 2018) and preceding financial year (FY 2018) ended 31 December 2018 respectively. The Group continues to be diligent and has been successfully working with the operators to align with their strategies to cross over the transition of voice to data and disruption due to technology based other distribution channels, thereby progressively arresting the decline in revenue. With these actions, the Group has been successful in securing newer business territories from one of the telecom operators and also expansion of its existing business territory by another one of them. After many quarters, Group's Indonesia operations have registered growth in its revenue concurrently during Q3 2019 and Q4 2019 over corresponding quarters. The Group also continues to sell multi-brand, MNC mobile devices through its own retail shops in Indonesia, as this aids in business of Distribution of Operator products and services. Strengthening of IDR against presentation currency SGD has also resulted in visibly higher increase in revenue over corresponding period/s. Revenue from ICT distribution and managed services, also being projects driven business, registered a decline of 14.0% during Q4 2019 and growth of 8.2% during FY 2019 over corresponding Q4 2018 and FY 2018 respectively. To retain and grow margins, the subsidiaries engaged in this business also continue to be focusing more on services led business. Visible drop in revenue in business of BEVs has primarily been on account of shift from employment model to rental model in main. Correspondingly, there has been change in "Purchases and changes in inventories and direct services fee incurred". Margins in case of Distribution of Operator products and services in Affinity group in Indonesia and Cavu group in Singapore were under pressure during FY 2019.

During corresponding quarter Q4 2018/ FY 2018, pursuant to an arrangement with one of the Telecom operators in Indonesia, Affinity group extinguished certain inventories valuing approximately S$6.0 million of the Operator and correspondingly, the Operator relinquished its right to certain receivables of approximately S$3.9 million from Affinity group. In addition, Affinity group also charged to the operator, a fee of approximately S$2.2 million. The amounts have been recognised under Other expenses - Operating, Other income - Operating and Turnover respectively. Without taking into account said expense of S$6.0 million on account of inventory, explained herein above, Operating expenses during Q4 2019 and FY 2019 went up by 21.1% and 4.6% over Q4 2018 and FY 2018 respectively. Increase in main had been in manpower cost during Q4 2019/ FY 2019, that had largely been due to increase in manpower cost of Affinity group, primarily due to operator driven manpower requirement/planning including on account of newer and expansion of business territories in Q4 2019 and ICT Distribution & managed services. The increase has partially been offset by decrease in case of BEVs due to shift from employment model to rental model.

The Group earned operating earnings (before interest, depreciation, amortisation and taxation) of S$0.006 million during Q4 2019 and S$0.2 million during FY 2019 against S$0.8 million during corresponding Q4 2019 and S$1.7 million during preceding year FY 2018.

During Q1 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. During Q3 2018/ FY 2018, the Group completed disposal of certain entities under its Cavu group ((please also refer to announcement dated 2 July 2018), engaged in ICT distribution and managed services and consequently recognised gain of S$0.2 million (net of recycle of translation loss of S$.06 million) on its disposal and also gain of S$0.2 million on account of fair valuation of remaining shares in these disposed entities turned associates. During corresponding year FY 2018, the Group had also disposed off a non operating subsidiary of the Company (please also refer to announcement dated 2 July 2018), resulting in gain, primarily on account of recycle of translation gain of S$3.7 million pertaining to the entity disposed off.

In line with SFRS(I) 1-36, consequent to review of past performance and value in use of Bharat IT, one of the subsidiaries engaged in ICT distribution & managed services, impairment of certain intangible asset has been reversed to the extent of S$1.7 million during Q4 2019/FY 2019. Correspondingly, deferred tax liability of S$0.4 million has also been recognised as Tax expense. Remaining estimated life of the asset has also been increased to 10 years from 5 years.

The Group earned profit before tax of S$0.7 million and S$1.9 million during Q4 2019 and FY 2019 against S$0.7 million and S$4.8 million during corresponding period/s Q4 2018, and FY 2018 respectively, from continuing operations including translation gain/s and reversal of impairment 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 31 December 2019 was S$14.08 million against S$19.2 million as at 31 December 2018, primarily on account of increase in inventories and prepayments, partially offset by increase in trade creditors and decrease in trade receivables.

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 similar market conditions as in last Quarter on the three verticals namely - Distribution of Operator Products and Services, ICT distribution & managed services and Battery Electric Vehicles (BEV) business.

These industry verticals continue to have pockets of innovations and some persistent challenges as well. There are new developments which have been reported in the three sectors as mentioned before which continue to take shape. Telecom sector is looking forward to the advent of 5G technology and its related innovations in IoT, AI and industry specific business applications which will also come in.

There may be new technology coming in through innovation in battery capacity and range in BEVs and other various technology innovations in BEVs and AVs. ICT has matured into a core industry but this businesses (SW and HW) may also see changes in technology affecting IoT, Big data , AI and deep learning. All these developments are also being closely watched by the company.

Company's continuous focus on performance and results in Indonesia is still its prime operations focus in the Telco and operator products business. This has resulted in a steady business in territories by the telecom operators but cut throat competition has resulted in pressure on margins in this business.

The company is planning some Fintech based initiatives/ products in its existing base to see if the business can grow or margins can be improved. While these are challenges for the Industry at large, it is also presenting unique opportunities for the Group to pursue alternative technology based business channels using its large distribution base. The Company has continues to pursue a test bed pilot with a fintech company in Indonesia to adopt digitization in its distribution channel as a means to improve efficiency and growth. This step is in line with the Company's strategy to move from Information to Innovation.

The ICT distribution & managed services business remains largely the same at Singapore and India. The company is keeping a focus on exploring new solutions , pursue large service deals and tie ups with new partners who seek to enter these markets. Re skilling of technical and sales staff still remains a focus going forward for the company as new services based offerings like Cloud, IoT, Big Data, Server consolidation, Virtualization and other services are pursued. The company keeps its focus on servicing, growing and retaining its existing client base.

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

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

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

11. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

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

13. Utilisation of Rights Issue proceeds

Not Applicable.

14. Interested persons transactions disclosure

	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 31 Dec 2019	Quarter ended 31 Dec 2019
Name of interested person	**S$'000**	**S$'000**
Smart Innovations Global Pte Ltd	495	-

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

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

15. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Operating Segments

a) Telecom

i) Distribution of mobile prepaid cards.

ii) Sale of mobile handsets, related products and services.

b) ICT distribution & managed services

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

ii) Systems integration service related to computer equipment and peripherals, storage systems and networking products. Customised Solutions and SW products.

iii) "Networking and Routing solutions for large enterprise networks with related Switches, monitors, solutions and hardware. Facilities management services.

iv) "Cloud computing and Innovative data, Security, Backup, Disaster recovery solutions with related Infrastructure services.

v) "ISP" service that offers an extensive portfolio of data services includes Broadband, Lease line Access, Private Network, Network Security, Hosted Services and IT Solutions to corporate users and consumers;

c) Battery electric vehicles (BEV)

i) Business of BEV and passenger land transport

	2019					
	Twelve months ended 31 Dec 2019					
	Telecom	Technology		Inoperative companies	Operations related to disposed companies	Group total (S$'000)
		ICT distribution and managed services	Battery Electric Vehicles (BEV's)			
Turnover	244,741	44,733	1,375	-	-	**290,849**
Profit before taxation (excluding depreciation, amortization, HQ costs and other non operating items)	3,009	1,329	(110)	(56)	(15)	**4,157**
Depreciation and amortisation	(164)	(333)	(811)	-	-	**(1,308)**
HQ costs (country)	(1,362)	-	-	-	-	**(1,362)**
Non operating items (net)	(338)	3,778	-	(342)	-	**3,098**
Taxation	(403)	(450)	-	-	-	**(853)**
Profit after taxation	**742**	**4,324**	**(921)**	**(398)**	**(15)**	**3,732**
Unallocated HQ costs - Group (Net)	-	-	-	-	-	**(2,702)**
Net Profit for the period	**742**	**4,324**	**(921)**	**(398)**	**(15)**	**1,030**

	2019						
	Twelve months ended 31 Dec 2019						
	Telecom	Technology		Inoperative companies	Operations related to disposed companies	IHQ (Unallocated)	Group total (S$'000)
		ICT distribution and managed services	Battery Electric Vehicles (BEV's)				
Segment assets	23,818	34,382	6,220	1,569	-	2,205	**68,194**
Segment liabilities	5,227	19,004	2,342	85	-	1,049	**27,707**
Capital expenditure	137	57	48	-	-	-	**242**

	2018					
	Twelve months ended 31 Dec 2018					
	Telecom	Technology		Inoperative companies	Operations related to disposed companies	Group total (S$'000)
		ICT distribution and managed services	Battery Electric Vehicles (BEV's)			
Turnover	238,145	41,345	1,589	-	622	**281,701**
Profit before taxation (excluding depreciation, amortization, HQ costs and other non operating items)	3,516	1,912	(219)	(75)	(78)	**5,056**
Depreciation and amortisation	(216)	(301)	(603)	(7)	-	**(1,127)**
HQ costs (country)	(949)	-	-	-	-	**(949)**
Non operating items (net)	(20)	4,210	-	30	-	**4,220**
Taxation	(593)	(350)	-	-	-	**(943)**
Profit after taxation	**1,738**	**5,471**	**(822)**	**(52)**	**(78)**	**6,257**
Unallocated HQ costs - Group (Net)	-	-	-	-	-	**(2,508)**
Net Profit for the period	**1,738**	**5,471**	**(822)**	**(52)**	**(78)**	**3,749**

	2018						
	Twelve months ended 31 Dec 2018						
	Telecom	Technology		Inoperative companies	Operations related to disposed companies	IHQ (Unallocated)	Group total (S$'000)
		ICT distribution and managed services	Battery Electric Vehicles (BEV's)				
Segment assets	23,855	28,940	287	1,874	-	12,901	**67,857**
Segment liabilities	5,851	16,086	191	125	-	3,883	**26,136**
Capital expenditure	55	45	167	-	-	120	**387**

Geographical Segments

The Group has operating offices in three main geographical areas.

i) South East Asia includes the operations in Singapore, Malaysia, Thailand and Indonesia;

ii) South Asia includes the operations in India

iii) Others include the operations in North, South and Central America, UK, China, Japan and Middle East.

	Turnover		Assets		Capital Expenditure	
	Twelve months ended	Twelve months ended			Twelve months ended	Twelve months ended
	31 Dec 19	31 Dec 18	31 Dec 19	31 Dec 18	31 Dec 19	31 Dec 18
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Southeast Asia	275,897	262,850	53,030	54,164	232	365
South Asia	14,952	18,229	14,427	12,772	10	22
Others	-	-	737	921	-	-
Total from continuing operations	**290,849**	**281,079**	**68,194**	**67,857**	**242**	**387**
Operations related to disposed companies	-	622	-	-	-	-
Total	**290,849**	**281,701**	**68,194**	**67,857**	**242**	**387**

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.

Revenue from Distribution of operator products and services in Indonesia increased by 2.8% during FY 2019 against corresponding FY 2018 (Decreased by 22% in FY 2018 against FY 2017). The Group continues to be diligent and has been successfully working with the operators to align with their strategies to cross over the transition of voice to data and disruption due to technology based other distribution channels, thereby progressively arresting the decline in revenue. With these actions, the Group has been successful in securing newer business territories from one of the telecom operators and also expansion of its existing business territory by another one of them. After many quarters, Group's Indonesia operations have registered growth in its revenue concurrently during Q3 2019 and Q4 2019 over corresponding quarters. The Group also continues to sell multi-brand, MNC mobile devices through its own retail shops in Indonesia, as this aids in business of Distribution of Operator products and services. Strengthening of IDR against presentation currency SGD has also resulted in visibly higher increase in revenue over corresponding period/s. Revenue from ICT distribution and managed services, also being projects driven business, registered an increase of 8.2% during FY 2019 over FY 2018. To retain and grow margins, the subsidiaries engaged in this business also continue to be focusing more on services led business. Visible drop in revenue in business of BEVs has primarily been on account of shift from employment model to rental model in main. Margins in case of Distribution of Operator products and services in Affinity group in Indonesia and Cavu group in Singapore were under pressure during FY 2019. During 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. During FY 2018, the Group completed disposal of certain entities under its Cavu group ((please also refer to announcement dated 2 July 2018), engaged in ICT distribution and managed services and consequently recognised gain of S$0.2 million (net of recycle of translation loss of S$.06 million) on its disposal and also gain of S$0.2 million on account of fair valuation of remaining shares in these disposed entities turned associates. During FY 2018, the Group had also disposed off a non operating subsidiary of the Company (please also refer to announcement dated 2 July 2018), resulting in gain, primarily on account of recycle of translation gain of S$3.7 million pertaining to the entity disposed off. In line with SFRS(I) 1-36, consequent to review of past performance and value in use of Bharat IT, one of the subsidiaries engaged in ICT distribution & managed services, impairment of certain intangible asset has been reversed to the extent of S$1.7 million during Q4 2019/FY 2019. Correspondingly, deferred tax liability of S$0.4 million has also been recognised as Tax expense. Remaining estimated life of the asset has also been increased to 10 years from 5 years. The business of the Group is mostly concentrated in South east Asia. The major focus during FY 2019 and FY 2018 had been in Indonesia, Singapore and India.

17. A breakdown of sales.

	Group		Operations related to disposed companies		Group - Net of operations related to disposed companies		
	S$'000		S$'000		S$'000		%
	12-month Ended		12-month Ended		12-month Ended		
	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018	Change
Sales reported for first half year	131,361	142,860	-	622	131,361	142,238	-7.6%
Profit/(loss) reported for first half-year	711	3,165	(15)	(78)	726	3,243	-77.6%
Sales reported for second half-year	159,488	138,841	-	-	159,488	138,841	14.9%
Profit reported for second half-year	319	584	-	-	319	584	-45.4%

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. Disclosure of person(s) occupying a managerial position in the issuer or any of its subsidiaries, who is a relative of a director or chief executive officer or substantial shareholder of the

There is no person occupying managerial position in the Group who is related to the substantial shareholder or a director.

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

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

BY ORDER OF THE BOARD

Maneesh Tripathi
Executive Chairman & Group Chief Executive Officer
SEVAK Limited

27 February 2020