

GENERAL ANNOUNCEMENT::PROPOSED TRANSFER OF THE LISTING OF THE COMPANY FROM MAIN BOARD TO CATALIST BOARD OF THE SGX-ST

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SEVAK LIMITED

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Announcement Details

Announcement Title

General Announcement

Date & Time of Broadcast

07-Dec-2020 19:33:31

Status

New

Announcement Sub Title

Proposed Transfer of the Listing of the Company from Main Board to Catalist Board of the SGX-ST

Announcement Reference

SG201207OTHR211W

Submitted By (Co./ Ind. Name)

Chada Anitha Reddy

Designation

Non-Independent Non-Executive Director

Description (Please provide a detailed description of the event in the box below)

Please see the attached.

Attachments

[Sevak - Announcement on proposed transfer 7 Dec 2020.pdf](#)

Total size = 111K MB

SEVAK LIMITED
Company Registration No.: 199304568R
(Incorporated in the Republic of Singapore)
("Company")

PROPOSED TRANSFER OF THE LISTING OF THE COMPANY FROM THE MAIN BOARD TO THE CATALIST BOARD ("CATALIST") OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST")

The Board of Directors ("**Board**") of Sevak Limited ("**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company intends to undertake the proposed transfer of the listing of the Company from the Main Board to the Catalist of the SGX-ST ("**Proposed Transfer**").

1. Introduction

- a. The Group's business operations are broadly classified into two operating segments viz, (i) Telecommunications, which includes the distribution of telecom operator products in Indonesia; and (ii) Technology, which includes information communications and technology ("**ICT**") distribution and managed services business in India and Singapore and the battery electric vehicles in Singapore.
- b. Despite the current difficulties faced by the Group as a result of the COVID-19 pandemic, the Group intends to focus more on the futuristic businesses having higher growth potential, such as growing its electric vehicle operations, exploring partnerships in expanding into electric vehicle battery charging infrastructure, exploring digital platforms and applications into the fintech space to support the Group's ICT/ technology and telecom business. Such acquisitions, divestments and/or mergers may also involve the issuance of shares in the capital of the Company ("**Shares**") to potential strategic partners and/or investors.

2. The Proposed Transfer and Rationale

- a. The technology business segment is typically fast moving. In order to successfully grow that segment, the Company would require greater flexibility in managing such corporate actions, *inter alia*, the ability to complete transactions within a shorter timing. This would provide the Company with the flexibility to onboard certain strategic corporate actions with partners in a timely manner, facilitating the implementation of its business growth/expansion plans, which may include acquisitions, divestments and/or mergers.
- b. The current market capitalisation of the Company makes it difficult for the Company to achieve growth and carry out corporate exercises such as fund-raising through share issuances or acquisitions and/or disposals due to the thresholds for share issuances and acquisitions and/or disposals on the Main Board being lower as compared to the Catalist, resulting in difficulty for the Company to execute corporate actions in the interests of the Company and minority shareholders of the Company ("**Shareholders**") in a timely manner.
- c. In line with the expected growth of its technology business segment, the Proposed Transfer would provide the Company with more flexibility in preserving its cash and utilising it to fund its operations and utilise the proceeds from the funds raised to grow its business by way of any potential strategic acquisitions. The Company believes that the Proposed Transfer will allow the Company to benefit from the greater flexibility in carrying out acquisitions, disposals or fund-raising through the issuance of Shares due to the higher thresholds for Shareholders' approvals and the wider mandate to issue new Shares on Catalist as compared to the Main Board, which will enhance the Company's ability to better manage and grow the technology business segment more effectively.
- d. Should the Company encounter suitable business opportunities as part of its plan in growing the technology business segment, the Company may explore various fund-raising avenues which include issuances of new Shares to raise funds for the purposes of capitalising on such business opportunities. With the Proposed Transfer, the Company would be able to explore such fund-raising options and complete them within a shorter timeframe and potentially raise more funds to allow it to better manage the growth of its technology business segment and create long term Shareholders' value.

- e. The Group expects to hire staff with requisite skills to manage the technology business segment and provide the requisite strategic direction and expertise to the Group to successfully manage these businesses. As the Group increases its reliance of high quality human capital, the Company intends to further motivate these employees by offering share schemes, which will help reduce monthly payroll expenses and also better align the interests of these employees with shareholders of the Company. The Proposed Transfer and the listing on the Catalist will provide greater flexibility to the Company for offering share schemes.
- f. The Board is of the view that the Proposed Transfer and the listing on the Catalist will position the Company appropriately and better allow the Company to attract investors in the future. In addition, the Board believes that the business, market capitalisation and risk profile of the Group that better resembles that of companies on the Catalist, which are typically fast-growing in nature.
- g. In consideration of the above, the Company had pre-consulted with the SGX-ST in relation to the Proposed Transfer (“**Pre-Consultation**”) through its proposed sponsor, RHT Capital Pte. Ltd. In its letter dated 30 November 2020 (“**SGX Letter**”), the SGX-ST confirmed that it did not have any further comments on the Pre-Consultation and has notified the Company to proceed to submit an application in writing and a draft shareholders’ circular in relation to the Proposed Transfer to the SGX-ST.
- h. For the avoidance of doubt, the Pre-Consultation does not constitute an application for the Proposed Transfer and the SGX Letter is not to be taken as an indication of the merits of the Proposed Transfer, the Company, its subsidiaries or its securities. The SGX-ST reserves the right to amend and / or vary the above confirmation / decision and such confirmation / decision is subject to changes in the policies of the SGX-ST.
- i. The Company has appointed RHT Capital Pte. Ltd. (“**Sponsor**”) as the proposed continuing sponsor of the Company. Further to the Pre-Consultation, the Company intends to submit an application to the SGX-ST in relation to the Proposed Transfer. The Company will make appropriate announcement(s) on the outcome of the application accordingly.

3. Approvals

- a. The Proposed Transfer is subject to, *inter alia*, the in-principle approval from the SGX-ST for the Proposed Transfer, and the approval of Shareholders for the Proposed Transfer at an extraordinary general meeting (“**EGM**”) to be convened by way of a special resolution.
- b. The Company will make an application to the SGX-ST in relation to the Proposed Transfer and publish on the SGXNet and the Company’s website, the Circular containing, *inter alia*, details of the Proposed Transfer together with the notice of the EGM in due course.

The Company will also update the Shareholders as and when there are any material developments in respect of the Proposed Transfer.

The Company would like to remind all Shareholders that there is no assurance of the Proposed Transfer taking place. As such, Shareholders are advised to exercise caution when dealing in the shares of the Company and to refrain from taking any action in relation to their shares which may be prejudicial to their interests. Persons who are in doubt, as to the action they should take, should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

BY ORDER OF THE BOARD

Chada Anitha Reddy
Non-Independent Non-Executive Director
Sevak Limited

7 December 2020