

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FIRST QUARTER RESULTS

Issuer & Securities

Issuer/ Manager

SEVAK LIMITED

Securities

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Maneesh Tripathi

Designation

Executive Director and Group CEO

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

First Quarter Financial Statements for the period ended 31 March 2019.

Please see the attached.

Additional Details

For Financial Period Ended

31/03/2019

Attachments

[FY2019%20Q1%20Announcement%20R12_FINAL.pdf](#)

Total size =439K MB

First Quarter Financial Statements and Dividend announcement for the period ended 31st March 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 Mar		%
	2019	2018	
	SS'000	SS'000	Change
Turnover (Note 1)	62,830	76,215	-17.6%
Purchases and changes in inventories and direct service fees incurred (Note 2)	(57,043)	(68,935)	-17.3%
Commissions and other selling expenses (Note 3)	(64)	(77)	-16.9%
Other income - operating (Note 4)	80	93	-14.0%
Operating expenses (Note 5)	(6,827)	(6,625)	3.0%
Other income - non operating (Note 13)	2,002	5	N.M.
Interest income from deposits (Note 15)	147	110	33.6%
Finance costs (Note 16)	(40)	(105)	-61.9%
Depreciation of property, plant and equipment (Note 17)	(399)	(296)	34.8%
Amortisation of intangible assets	(1)	(1)	0.0%
Profit / (Loss) before taxation			
From continuing operations*	685	384	78.4%
From discontinued operations (Note 18)	(14)	(27)	-48.1%
Profit before taxation	671	357	88.0%
Taxation			
From continuing operations	(189)	(215)	-12.1%
From discontinued operations (Note 18)	-	-	-
Taxation (Note 19)	(189)	(215)	-12.1%
Net Profit / (Loss) after tax for the period			
From continuing operations*	496	169	193.5%
From discontinued operations	(14)	(27)	-48.1%
Net Profit after tax	482	142	239.5%
Profit attributable to:			
Owners of the parent	480	142	238.1%
Non-controlling interest (Note 20)	2	-	N.M.
Total	482	142	239.5%

* Please also refer to note 14

Note 1

Turnover

	Quarter ended 31 Mar		%
	2019	2018	
	SS'000	SS'000	Change
Distribution of operator products and services	52,778	63,826	-17.3%
ICT distribution and managed services	9,660	11,887	-18.7%
Battery Electric Vehicles (BEVs)	392	502	-21.9%
Total (Note 2)	62,830	76,215	-17.6%

Note 2

Distribution of Operator products and services in Indonesia declined by 17.3% during first quarter (Q1 2019) of current financial year (FY 2019) ended 31 March 2019 against corresponding quarter (Q1 2018) of preceding financial year (FY 2018) ended 31 March 2018 respectively. Consequent to intense competition, all telecom operators in Indonesia have been resorting to competitive pricing to increase customers, as the voice business continues to shrink and a shift towards data driven strategy is being implemented. There has also been disruption due to operator's pursuing technology based other distribution channels. The Group continues to be diligent and is working with the operators to align with this strategy. 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. Revenue from ICT distribution and managed services registered a decrease of 18.7% during Q1 2019 over corresponding quarter Q1 2018. To retain and grow margins, the subsidiaries engaged in this business have also been focusing more on services led business. Weakening of IDR & INR against presentation currency SGD has also resulted in visibly higher reduction in revenue over corresponding period/s. Visible drop in revenue in business of BEVs is primarily on account of shift from employment model to rental model in main, since 4th quarter of FY 2018. Correspondingly, there has been change in "Purchases and changes in inventories and direct services fee incurred".

Note 3

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

Note 4

Other income - operating mainly included rentals from certain properties, Government subsidy, rebate/incentive from principals, infrastructure support services fee and write back of certain liabilities/accruals in past, no longer required.

Note 5

The operating expenses included the following:

	Quarter ended 31 Mar		%
	2019	2018	Change
	SS'000	SS'000	
Personnel costs (Note 6)	(4,090)	(4,264)	-4.1%
Infrastructure costs (Note 7)	(611)	(634)	-3.6%
Marketing expenses (Note 8)	(377)	(274)	37.6%
Other expenses - operating (Note 9)	(1,749)	(1,453)	20.4%
Total operating overheads	(6,827)	(6,625)	3.0%

Note 6

There has been decrease in manpower cost over corresponding quarter Q1 2018, largely due to reduction in manpower cost in ICT Distribution & managed services & change to rental model from employment model in case of BEVs.

Note 7

The change in infrastructure costs was mainly due to need based changes in infrastructure requirements. In addition, consequent to implementation of SFRS(1) 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 Mar		%
	2019	2018	Change
	SS'000	SS'000	
Bank charges (Note 10)	(22)	(22)	0.0%
Collection service fees (Note 10)	-	(78)	-100.0%
Equipment maintenance (Note 10)	(196)	(108)	81.5%
Equipment rental (Note 10)	(48)	(58)	-17.2%
Foreign exchange gain/ (loss) (Note 11)	(93)	(32)	N.M.
Freight and postage charges (Note 10)	(22)	(22)	0.0%
Printing & stationery (Note 10)	(21)	(24)	-12.5%
Professional fees (Note 10)	(417)	(379)	10.0%
(Provision)/write back of allowance of doubtful non-trade debts (Note 12)	(2)	(40)	-95.0%
(Provision)/write back of allowance of doubtful trade debts (Note 12)	(4)	152	N.M.
Write off of doubtful trade debts (Note 12)	(152)	(136)	11.8%
(Provision)/write back of allowance for stock obsolescence of stocks (Note 12)	(43)	(52)	-17.3%
Telecommunication expenses (Note 10)	(83)	(89)	-6.7%
Travelling & entertainment expenses (Note 10)	(342)	(363)	-5.8%
Insurance (Note 10)	(104)	(60)	73.3%
Others	(200)	(142)	40.8%
Total other expenses - operating	(1,749)	(1,453)	20.4%

Note 10

The changes in these operating expenses have mainly been corresponding to business requirements. Increase in equipment maintenance has primarily been attributed to enhanced focus on services led business by the subsidiaries engaged in ICT distribution and managed services and BEVs. Similarly, increase in insurance has primarily been on account of BEVs.

Note 11

The foreign exchange movement recognised in Q1 2019 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 and inventories.

Note 13

Other income - non-operating included the following:

	Quarter ended 31 Mar		%
	2019	2018	Change
	SS'000	SS'000	
Gain on sale of investment in a subsidiary (Note 14)	2,001	-	N.M.
Gain on disposal of property, plant & equipment	1	5	-80.0%
Total other income - non operating	2,002	5	N.M.

Note 14

During Q1 2019, the Group completed the disposal of one of its subsidiaries (please also refer to announcement dated 26 March 2019), engaged in Voice business, a business since marginalised by Group over last few years and consequently recognised a gain of S\$2.0 million, primarily on account of recycle of translation gain of S\$2.0 million pertaining to the entity disposed of.

Note 15

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

Note 16

The movement in finance cost against corresponding period/s in the preceding year was mainly on account of finance charges & utilisation level of loans and bank borrowings by Affinity group based on their business needs.

Note 17

The increase in depreciation during Q1 2019 over corresponding quarter Q1 2018 was mainly on account of battery electric vehicles. The amount during Q1 2019 also includes depreciation on Right-of-use assets recognised on 01 January 2019.

Note 18

During Q1 2019, the group has completed the disposal of one its subsidiaries (please also refer to announcement dated 26 March 2019 and Note 14 above). During FY 2018, the group had also disposed of certain entities of its Cavu group (please also refer to announcement dated 2nd 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 19

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

Note 20

Profit/(Loss) attributable to Non-controlling interest related to one of the subsidiaries of Affinity group.

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

	Quarter ended 31 Mar		%
	2019	2018	
	S\$'000	S\$'000	Change
Profit for the period	482	142	239.5%
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit and loss:			
Foreign currency translation (Note 21)	(1,687)	(1,016)	66.0%
Other comprehensive loss for the period	(1,687)	(1,016)	66.0%
Total comprehensive loss for the period	(1,205)	(874)	37.9%
Total comprehensive loss attributable to:			
Owners of the parent	(1,228)	(877)	40.0%
Non-controlling interest	23	3	N.M.
Total	(1,205)	(874)	37.9%

N.M. - Not Meaningful

Note 21

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 in regard to recycle of translation gain of S\$2.0 million, consequent to disposal of one of the subsidiaries during Q1 2019.

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 Mar 19	31 Dec 18	31 Mar 19	31 Dec 18
	S\$'000	S\$'000	S\$'000	S\$'000
Current assets	44,967	54,521	5,782	6,218
Inventories (Note 22)	10,386	10,360	-	-
Trade receivables (Note 23)	7,549	13,257	110	112
Other receivables and deposits (Note 24)	4,370	4,015	1,076	1,032
Prepayments (Note 25)	4,967	2,986	219	72
Due from subsidiaries (Note 26)	-	-	442	178
Cash and bank deposits pledged (Note 27)	2,709	4,838	-	-
Cash and cash equivalents	14,172	18,462	3,935	4,824
Tax recoverable (Note 28)	814	603	-	-
Non-current Assets	15,407	13,336	37,183	33,077
Property, plant and equipment (Note 29)	8,582	8,885	6,745	6,949
Right-of-use assets (Note 30)	459	-	-	-
Intangible assets (Note 31)	62	16	12	13
Investments in subsidiaries (Note 32)	-	-	29,433	25,198
Financial Assets, FVPL (Note 33)	201	201	-	-
Investment properties (Note 29)	2,644	2,630	-	-
Long-term loans and advances to subsidiaries (Note 26)	-	-	993	917
Deferred tax assets (Note 34)	355	336	-	-
Trade receivables (Note 23)	-	5	-	-
Prepayments (Note 25)	101	95	-	-
Other receivables and deposits (Note 24)	275	273	-	-
Cash and bank deposits pledged (Note 27)	2,728	895	-	-
Total Assets	60,374	67,857	42,965	39,295
Current liabilities	16,530	23,015	11,490	10,315
Trade creditors (Note 35)	5,954	10,563	111	112
Other creditors and accruals (Note 36)	5,539	6,309	1,206	1,335
Contract Liabilities (Note 37)	2,885	2,776	-	-
Lease obligations (Note 38)	648	532	401	532
Loans and bank borrowings (Note 39)	802	2,304	-	-
Due to subsidiaries (Note 26)	-	-	9,772	8,336
Tax payable (Note 40)	702	531	-	-
Non-current liabilities	3,384	3,121	5,687	5,485
Deferred tax liabilities (Note 34)	201	207	-	-
Provision for employee benefits	706	700	-	-
Contract liabilities (Note 37)	11	17	-	-
Lease obligations (Note 38)	2,466	2,197	2,197	2,197
Long-term loans and advances from subsidiaries (Note 26)	-	-	3,490	3,288
Total Liabilities	19,914	26,136	17,177	15,800
Equity attributable to the owners of the parent				
Share capital	548,020	578,249	548,020	578,249
Treasury Shares (Note 41)	(3,547)	(3,535)	(3,547)	(3,535)
Accumulated losses	(490,476)	(520,824)	(509,139)	(541,354)
Other reserves	(4,618)	(4,172)	(9,546)	(9,100)
Translation reserve (Note 21)	(8,850)	(7,905)	-	(765)
	40,529	41,813	25,788	23,495
Non-controlling interest (Note 20)	(69)	(92)	-	-
Total Equity	40,460	41,721	25,788	23,495
Total liabilities and equity	60,374	67,857	42,965	39,295

Note 22

Inventories of Distribution of operator products increased against 31 December 2018, though largely offset by decrease in inventories of ICT Distribution business.

Note 23

The decrease of S\$5.7 million in trade receivables was mainly in respect of entities engaged in ICT Distribution & Affinity group.

Note 24

The Other Receivables and Deposits mainly included Operator's fee, GST refund, receivables on account of support services provided to a related party. The increase has primarily been in respect of Affinity group and Bharat IT, offset by decrease in Cavu group.

Note 25

The increase in prepayments was mainly in respect of Affinity group and the Company.

Note 26

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 a 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).

Note 27

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

Note 28

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

Note 29

Property, Plant & Equipments (PPE) primarily consisted battery electric vehicles 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 during Q1 2019.

Note 30

Consequent to implementation of SFRS(I) 16 - Leases with effect from 1 January 2019, the Group has recognised S\$ 0.46 million (net of depreciation) as "Right-of-use assets".

Note 31

The increase in Intangible Assets during the quarter has been on account of development of a software for BEV's.

Note 32

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.

Note 33

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

Note 34

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

Note 35

The decrease in Trade Creditors has mainly been in respect of Bharat IT and Cavu group.

Note 36

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

Note 37

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

Note 38

The obligations were primarily for acquisition of certain battery electric vehicles by the Company. The increase has primarily been on account of recognition of corresponding lease liabilities consequent to recognition of Right-of-use assets (Please also refer to Note 30 above). The increase has partially been offset by scheduled repayments of lease obligations.

Note 39

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

Note 40

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

Note 41

Consequent to mandate for share buyback received at EGM on 1 August 2017, renewed on 30 April 2018, the Company had cumulatively bought back 1,861,227 shares until 31 March 2019 (Up to 31 December 2018 - 1,861,227 shares) for a consideration (excluding stamp duty and other costs) of S\$5.8 million (Up to 31 December 2018 - S\$5.8 million). The Company has cumulatively cancelled 696,022 treasury shares valuing S\$2.3 million till 31 March 2019 and consequently held 1,165,205 treasury shares valuing S\$3.5 million as at 31 March 2019. The Company had been making regular announcement/s in respect of its share buy back including cancellation of treasury shares. The Company has not bought any shares under the mandate after 19 October 2018.

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

Amount repayable in one year or less, or on demand

As at 31/03/2019		As at 31/12/2018	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
1,450	-	2,836	-

Amount repayable after one year

2,466	-	2,197	-
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Details of any collateral

- Subsidiaries' current assets of S\$10.3 million (31/12/2018 : S\$10.5 million) and property, plant and equipment with carrying amount of S\$0.6 million (31/12/2018: S\$0.7 million) are pledged as security for bank guarantees, standby letters of credit and other bank services.
- Corporate guarantees of S\$8.0 million (31/12/2018 : S\$8.0 million) were given by the Company to enable a subsidiary to obtain credit facility from suppliers.
- Corporate guarantees of S\$5.7 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.
- Corporate guarantees of S\$1.1 million (31/12/2018 : S\$1.0 million) were given by the subsidiary to enable its subsidiaries to obtain banking facilities.
- Corporate guarantees of S\$2.6 million (31/12/2018 : 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 Mar	
	2019	2018
	SS'000	SS'000
Cash flows from operating activities		
Profit before taxation	685	384
Profit/ (Loss) before taxation from discontinued operations	(14)	(27)
Total Profit before taxation	671	357
Adjustments for:		
Depreciation and amortisation	375	300
Allowance for/ write off of doubtful non-trade debts, net	1	40
Allowance for/ write off and (Reversal of) doubtful trade debts, net	100	(38)
Allowance for/(Reversal of) inventory obsolescence, net	2	(548)
Interest income from deposits	(147)	(110)
Gain on revaluation of investment properties	-	(5)
Gain on disposal of property plant and equipment	(1)	-
Gain on disposal a subsidiary (Note 14 and Note 18)	(2,001)	-
Finance cost	40	110
Unrealised exchange differences	226	(752)
Others	6	(32)
Operating loss before working capital changes	(728)	(678)
Increase in inventories	(43)	(2,208)
Decrease/ (Increase) in trade receivables	5,138	(480)
(Increase)/ Decrease in other receivables and deposits	(341)	1,075
Increase in prepayments	(1,987)	(1,392)
(Decrease)/ Increase in trade creditors	(4,609)	1,912
(Decrease)/ Increase in other creditors and accruals	(764)	282
Increase in deferred revenue	102	901
Cash used in operating activities	(3,232)	(588)
Interest paid	(40)	(73)
Income tax paid	(257)	(332)
Net cash used in operating activities	(3,529)	(993)
Cash flows from investing activities		
Interest income received from deposits	136	100
Proceeds from disposal of property, plant and equipment	4	16
Purchase of property, plant and equipment	(20)	(219)
Purchase of Intangible Assets	(48)	-
Outflow (net) consequent to disposal of investment in subsidiaries	(5)	-
Net cash generated from/ (used in) investing activities	67	(103)
Cash flows from financing activities		
Withdrawal / (placement) of cash and bank deposits pledged (Note 27)	295	(81)
(Repayment of) / proceeds from loans and bank borrowings (Note 39)	(1,041)	27
Share buyback (Note 41)	-	(387)
Repayment/ Proceeds under finance leases (Note 38)	(132)	(7)
Net cash used in financing activities	(878)	(448)
Net decrease in cash and cash equivalents	(4,340)	(1,544)
Cash and cash equivalents at beginning of the period	18,463	14,190
Effects of exchange rate changes on the balance of cash held in foreign currencies	49	(386)
Cash and cash equivalents at end of the period	14,172	12,260

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		
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	-	-	482	-	(1,710)	(1,228)	23	(1,205)
Balance as at 31 March 2019	548,020	(3,547)	(490,476)	(4,618)	(8,850)	40,529	(69)	40,460
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	-	-	142	-	(1,019)	(877)	3	(874)
Share Buy Back	-	(336)	-	(51)	-	(387)	-	(387)
Balance as at 31 March 2018	580,518	(4,115)	(524,631)	(4,159)	(3,675)	43,938	(99)	43,839

	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	-	-	3,078	-	-	3,078
Balance as at 31 March 2019	548,020	(3,547)	(509,139)	(9,546)	-	25,788
Balance as at 1 January 2018	580,518	(3,779)	(534,342)	(8,919)	(816)	32,662
Total comprehensive loss for the period	-	-	(694)	-	(62)	(756)
Share Buy Back	-	(336)	-	(51)	-	(387)
Balance as at 31 March 2018	580,518	(4,115)	(535,036)	(8,970)	(878)	31,519

* 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 March 19	31 December 18
Issued shares at the beginning of the period	13,016,430	13,341,528
Cancellation of treasury shares	-	(325,098)
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 Mar 19	31 Mar 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 March 2019 were 1,165,205 (31 March 2018: 1,352,195).

Percentage (%) of number of treasury shares against total number of shares as at 31 March 2019 were 8.95% (31 March 2018: 9.86%).

Total number of subsidiary holdings as at 31 March 2019 were Nil (31 March 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 March 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 during Q1 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 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.

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.

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 Mar	
	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)	4.05 cents	1.15 cents
ii) On a fully diluted basis (S\$ cent)	4.05 cents	1.15 cents

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

	Group		Company	
	31 Mar 19	31 Dec 18	31 Mar 19	31 Dec 18
Net asset backing 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).	341.98 cents	352.82 cents	217.59 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**

The group recorded a turnover of S\$62.8 million during current quarter Q1 2019 - a decrease of 17.6% over revenue of corresponding quarter Q1 2018. Distribution of Operator products and services in Indonesia declined by 17.3% during first quarter (Q1 2019) of current financial year (FY 2019) ended 31 March 2019 against corresponding quarter (Q1 2018) of preceding financial year (FY 2018) ended 31 March 2018 respectively. Consequent to intense competition, all telecom operators in Indonesia have been resorting to competitive pricing to increase customers, as the voice business continues to shrink and a shift towards data driven strategy is being implemented. There has also been disruption due to operator's pursuing technology based other distribution channels. The Group continues to be diligent and is working with the operators to align with this strategy. 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. Revenue from ICT distribution and managed services registered a decrease of 18.7% during Q1 2019 over corresponding quarter Q1 2018. To retain and grow margins, the subsidiaries engaged in this business have also been focusing more on services led business. Weakening of IDR & INR against presentation currency SGD has also resulted in visibly higher reduction in revenue over corresponding period/s. Visible drop in revenue in business of BEVs is primarily on account of shift from employment model to rental model in main, since 4th quarter of FY 2018. Correspondingly, there has been change in "Purchases and changes in inventories and direct services fee incurred".

During the quarter, the personnel costs have gone down, however, there has been increase in marketing expenses as per operator's requirements in the business of Distribution of Operator Products and Services in Indonesia and increase in insurance and maintenance costs of Battery Electric Vehicles owing to higher utilisation.

The Group incurred operating loss (before interest, depreciation, amortisation and taxation) of S\$1.0 million during Q1 2019 against operating earnings (before interest, depreciation, amortisation and taxation) of S\$0.7 million during corresponding Q1 2018.

During Q1 2019, the Group disposed 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 gain of S\$2.0 million, primarily on account of recycle of translation gain of S\$2.0 million pertaining to the entity disposed of.

The Group earned profit before tax of S\$0.7 million during Q1 2019 against S\$0.4 million during corresponding Q1 2018, from continuing operations including translation gain referred to above.

The Group has continued its focus on operating efficiencies and management of working capital in terms of inventories, trade debtors, trade creditors and loans and borrowings in accordance with its business requirements. Cash in hand (net of borrowings) as at 31 March 2019 was S\$15.7 million against S\$19.2 million as at 31 December 2018, primarily on account of decrease in Trade creditors, Loans & borrowings and increase in Prepayments.

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 Telco industry in Indonesia is going through a tough phase and is hard pressed for margins. This is primarily due to a steep decline in voice based revenue and data based revenue not ramping up plus another disruption due to operator's pursuing technology based other distribution channels. This has resulted in the decline of revenue in Indonesia. The Company is closely watching this industry and its development. The Company keeps its focus on operator driven plans at the cluster levels as required by the operators and their strategic plans in the business of distribution of operator products & services.

The ICT distribution & managed services business is highly Public sector oriented business for the Cavu group. The Company has enhanced its focus on services driven business and key innovative offerings aligned to IBM and HP strategy to improve margins via futuristic services based offerings like Cloud, IOT, Server consolidation, Virtualization and other services relevant to a developed economy.

In case of its battery electric fleet (BEV), the Group's alignment with a particular ride hailing app continues. The Company has studied various fleet operating models and implemented various methods to test how best EV fleets will work in the local context. The Company has also commenced a pilot of battery electric vehicle fleet management software for its fleet of 50 BEV's to improve efficiency and productivity, as a test bed.

Without losing its sight on opportunities in other parts of ASEAN & Asia, the Group continues to focus on establishing its BEV business in Singapore and looking out for other opportunities.

The Group continues to cut down all loss making businesses, hold and grow profitable businesses, move from Information to Innovation and continue to come out of watch list.

11. **Dividend**

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

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

13. **Utilisation of Rights Issue proceeds**

Not Applicable.

14. Interested persons transactions disclosure

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
	Quarter ended 31 March 2019	Quarter ended 31 March 2019
	S\$'000	S\$'000
Smart Global Innovations Pte. Ltd.	557	-

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.

Not Applicable.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not Applicable.

17. A breakdown of sales.

Not Applicable.

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not Applicable.

19. Statement Pursuant to Rule 705(5) of The Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the above unaudited financial results for the quarter ended 31st March 2019 to be false or misleading in any material respects.

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

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

BY ORDER OF THE BOARD

Maneesh Tripathi
Executive Director & Group Chief Executive Officer

14 May 2019