POLARIS LTD.
(Company Registration No. : 198404341D)
Incorporated in the Republic of Singapore

UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 31 DECEMBER 2016

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

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement

	Three Months Ended			Twelve Months Ended		
	31 Dec 2016 S$'000	31 Dec 2015 S$'000	Inc/(Dec) %	31 Dec 2016 S$'000	31 Dec 2015 S$'000	Inc/(Dec) %
Revenue *(Note 1)*	35,479	39,455	(10)	89,855	156,148	(42)
Cost of Sales	(34,191)	(38,307)	(11)	(84,512)	(148,431)	(43)
Gross profit	1,288	1,148	12	5,343	7,717	(31)
Other items of income						
Interest income	231	290	(20)	353	486	(27)
Other income *(Note 2)*	337	(1,013)	133	798	1,503	(47)
Other items of expense						
Marketing and distribution	(17)	(60)	(72)	(75)	(415)	(82)
Administrative expenses	(1,105)	(1,659)	(33)	(5,954)	(7,425)	(20)
Finance costs	(111)	(660)	(83)	(468)	(900)	(48)
Impairment of investment in an associates	2,142	(300,990)		2,142	(300,990)	
Other expenses *(Note 3)*	(481)	(9,946)	(95)	(1,205)	(11,640)	(90)
Share of results of associates	69	(22,402)	N.M.	69	(16,742)	N.M.
Profit/ (loss) before tax	2,354	(335,292)	N.M.	1,003	(328,406)	N.M.
Income tax expense	70	941	N.M.	61	331	N.M.
Profit/ (loss), net of tax	**2,424**	**(334,351)**	**N.M.**	**1,064**	**(328,075)**	**N.M.**
Attributable to:						
Owners of the Company	2,479	(331,962)	N.M.	1,058	(325,706)	N.M.
Non-controlling interests	(55)	(2,389)	98	6	(2,369)	100
Profit/ (loss) for the year/ period	**2,424**	**(334,351)**	**N.M.**	**1,064**	**(328,075)**	**N.M.**
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Share of an associate's other comprehensive income	-	(625)	N.M.	-	(625)	N.M.
Foreign currency translation	141	436	(68)	-	436	N.M.
Other comprehensive income for the year/ period , net of tax	141	(189)	N.M.	-	(189)	N.M.
Total comprehensive income for the year/ period	**2,565**	**(334,540)**	**N.M.**	**1,064**	**(328,264)**	**N.M.**
Attributable to:						
Owners of the Company	2,559	(332,201)	N.M.	1,058	(325,925)	100
Non-controlling interests	6	(2,339)	100	6	(2,339)	100
Total comprehensive income for the year/ period	**2,565**	**(334,540)**	**N.M.**	**1,064**	**(328,264)**	**N.M.**

	Three Months Ended			Twelve Months Ended		
Note 1 - Revenue	31 Dec 2016 S$'000	31 Dec 2015 S$'000	Inc/(Dec) %	31 Dec 2016 S$'000	31 Dec 2015 S$'000	Inc/(Dec) %
Distribution sale of mobile handsets & accessories	19,476	20,867	(7)	34,016	89,671	(62)
Retail sale of mobile handsets, accessories & services	13,362	13,337	0	41,930	44,823	(6)
Retail sale of computer electronics and related products	2,627	5,055	(48)	13,879	21,444	(35)
Other revenue	14	196	(93)	30	210	(86)
	35,479	39,455	(10)	89,855	156,148	(42)

	Three Months Ended			Twelve Months Ended		
Note 2 - Other income	31 Dec 2016 S$'000	31 Dec 2015 S$'000	Inc/(Dec) %	31 Dec 2016 S$'000	31 Dec 2015 S$'000	Inc/(Dec) %
Net gain on disposal of subsidiary	205	-	N.M.	313	-	N.M.
Rental income	9	32	(70)	95	130	(27)
Fund support of a brand principal	-	(1,178)	N.M.	-	943	N.M.
Other miscellaneous income	123	133	(8)	390	430	(9)
	337	(1,013)	133	798	1,503	(47)

	Three Months Ended			Twelve Months Ended		
Note 3 - Other expenses	31 Dec 2016 S$'000	31 Dec 2015 S$'000	Inc/(Dec) %	31 Dec 2016 S$'000	31 Dec 2015 S$'000	Inc/(Dec) %
Amortisation of intangible assets	(45)	(80)	(44)	(214)	(318)	(33)
Depreciation of property, plant and equipment	(142)	(226)	(37)	(649)	(778)	(17)
Depreciation of investment property	(24)	(24)	-	(90)	(92)	(2)
Net (loss)/profit on disposal of property, plant and equipment	(15)	-	N.M.	(7)	(83)	(92)
Net (loss)/profit on disposal of investment	(50)	-		(50)	-	N.M.
Net foreign exchange (loss)/gain	(117)	226	N.M.	89	(203)	(144)
Allowance for impairment goodwill	-	(668)		-	(668)	N.M.
Provision for doubtful debts	(238)	(9,278)	N.M.	(238)	(9,278)	N.M.
Inventories written-down	(14)	(216)	(94)	(47)	(220)	(79)
	(644)	(10,266)	94	(1,205)	(11,640)	90

N.M. denotes Not Meaningful

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.**

Consolidated Balance Sheets

	Group		Company	
	31 Dec 2016 S$'000	31 Dec 2015 S$'000	31 Dec 2016 S$'000	31 Dec 2015 S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	5,510	6,102	5,460	5,880
Investment properties	2,412	2,501	2,412	2,501
Intangible assets	404	619	-	-
Investment in subsidiaries	-	-	6,039	8,425
Investment in associates	482	470	-	-
Investment securities	-	-	-	-
Other receivables	346	58	2,322	5,713
	9,154	9,750	16,233	22,519
Current assets				
Trade and other receivables	8,656	11,760	497	774
Inventories	1,448	3,814	-	-
Held-for-sale (Investment security)	-	600	-	-
Prepayment	68	133	22	32
Advance to supplier	1,077	107	-	-
Cash and cash equivalents	6,737	2,737	287	657
	17,986	19,151	806	1,463
Total assets	**27,140**	**28,901**	**17,039**	**23,982**
EQUITY AND LIABILITIES				
Current liabilities				
Loans and borrowings (*Note 4*)	272	3,098	272	268
Trade and other payables	7,041	6,370	518	566
Deferred revenue	13	60	-	-
Other liabilities	419	812	266	422
Income tax payable	-	116	-	-
	7,745	10,456	1,056	1,256
Net current assets	**10,241**	**8,695**	**(250)**	**207**
Non-current liabilities				
Loans and borrowings (*Note 4*)	5,366	5,627	5,366	5,627
Other payables	-	-	-	2,037
	5,366	5,627	5,366	7,664
Total liabilities	**13,111**	**16,083**	**6,422**	**8,920**
Net assets	**14,029**	**12,818**	**10,617**	**15,062**
Equity attributable to owners of the Company				
Share capital	402,747	402,747	402,747	402,747
Retained losses	(390,167)	(391,227)	(392,130)	(387,685)
Other reserve	-	-	-	-
Foreign currency translation reserve	940	792	-	-
	13,520	12,312	10,617	15,062
Non-controlling interests	509	506	-	-
Total equity	**14,029**	**12,818**	**10,617**	**15,062**
Total equity and liabilities	**27,140**	**28,901**	**17,039**	**23,982**

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

	As at 31 Dec 2016		As at 31 Dec 2015	
	Secured	Unsecured	Secured	Unsecured
Note 4 - Loans and borrowings	S$'000	S$'000	S$'000	S$'000
Current:				
Other borrowings	**-**	-	-	-
Bank borrowing	-	-	2,830	-
Commercial property loans	272	-	268	-
Amount repayable in one year or less, or on demand	272	-	3,098	-
Non-current:				
Commercial property loans	5,366	-	5,627	-
Amount repayable after one year	5,366	-	5,627	-
Total loans and borrowings	**5,638**	**-**	**8,725**	**-**

United Overseas Bank Limited - First commercial properties loan

These loans are secured by a first mortgage over the Group's commercial properties and are repayable in 240 instalments, bearing interest at 3.22% below Bank's Commercial Financing rate ("BCFR") for the 1st year, 3.12% below BCFR for the 2nd year, and 2.82% below BCFR for the 3rd year and thereafter at BCFR. Currently, BCFR is at 5.10% p.a.

United Overseas Bank Limited - Second commercial properties loan

These loans are secured by a first mortgage over the Group's commercial properties and are repayable in 240 instalments, bearing interest at 4.07% below BCFR for the 1st year, 3.77% below BCFR for the 2nd year, and 2.60% below BCFR for the 3rd year and thereafter 0.75% over BCFR. Currently, BCFR is at 4.50% p.a.

RHB Bank Berhad - Investment property loan

This loan is secured by a first mortgage over the Group's investment property and is repayable in 240 instalments, bearing interest at 3.40% below Bank's Commercial Variable Rate 2 ("CR2") for the 1st year, 3.08% below CR2 for the 2nd year, and 2.30% below CR2 for the 3rd year and thereafter at CR2. Currently, CR2 is at 4.68% p.a.

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

Consolidated Cash Flow Statement

	Three Months		Twelve Months	
	31 Dec 2016 S$'000	31 Dec 2015 S$'000	31 Dec 2016 S$'000	31 Dec 2015 S$'000
OPERATING ACTIVITIES				
(Loss)/Profit before tax	2,189	(335,292)	1,003	(328,406)
Adjustments for :				
Amortisation of intangible assets	45	80	214	318
Depreciation of property, plant and equipment	142	226	649	778
Depreciation of investment property	24	24	90	92
Finance costs	274	660	468	900
Interest income	(231)	(290)	(353)	(486)
Allowance of impairment goodwill	-	668	-	668
Provision for doubtful debts	238	9,278	238	9,278
Waiver of amount due to supplier	-	(943)	-	(943)
Inventories written-down	14	216	47	220
Net gain on disposal of subsidiary	50	-	(58)	-
Net loss on disposal of property, plant and equipment	15	-	7	83
Share of results of associates	(69)	22,402	(69)	16,742
Provision for impairment of investment in an associate	(2,142)	300,990	(2,142)	300,990
Unrealised exchange loss	(0)	460	(0)	460
Total adjustments	(1,640)	333,771	(909)	329,100
Operating cash flows before changes in working capital	**549**	**(1,521)**	**94**	**694**
Changes in working capital				
(Increase)/ Decrease in:				
Inventories	561	1,157	2,319	(1,474)
Trade and other receivables	1,061	11,903	4,721	7,681
Prepaid expense and Advances	(167)	3,484	(906)	93
(Decrease)/ Increase in:				
Trade and other payables	10	358	609	(843)
Other liabilities	(367)	(180)	(381)	35
Total changes in working capital	1,098	16,722	6,362	5,492
Cash flows generated from/(used in) operations	**1,647**	**15,201**	**6,456**	**6,186**
Interest received	231	14	353	210
Interest paid	(274)	(660)	(468)	(900)
Income taxes paid	71	(36)	(54)	(66)
Net cash flows generatd from/(used in) operating activities	**1,676**	**14,519**	**6,287**	**5,430**
INVESTING ACTIVITIES				
Investment in associates	-	(360)	-	(360)
Loan to an associate	-	(2,196)	-	(2,196)
Loan to franchisee	-	(1,213)	-	(1,213)
Proceeds from divestment of investment securities	7	-	715	-
Purchase of property, plant and equipment	(15)	(71)	(62)	(124)
Purchase of investment property	-	-	-	-
Net cash flows used in investing activities	**(8)**	**(3,840)**	**653**	**(3,893)**
FINANCING ACTIVITIES				
Proceeds from issuance of shares by subsidiaries to non-controlling shareholders	-	350	-	350
Proceeds from loans and borrowings	-	6,715	-	32,582
Repayment of loans and borrowings	(63)	(16,991)	(3,087)	(34,972)
Net cash flows (used in)/generated from financing activities	**(63)**	**(9,926)**	**(3,087)**	**(2,040)**
Net decrease in cash and cash equivalents	**1,604**	**753**	**3,853**	**(503)**
Effect of exchange rate changes on cash and cash equivalents	288	67	147	67
Cash and cash equivalents at 1 January	4,845	1,917	2,737	3,173
Cash and cash equivalents at 31 December	**6,737**	**2,737**	**6,737**	**2,737**

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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Statements of Change in Equity :

2016 Group	Equity, total S$'000	Share capital S$'000	Retained losses S$'000	Foreign currency translation reserve S$'000	Other reserve S$'000	Non-controlling interests S$'000
Opening balance at 1 January 2016	**12,818**	**402,747**	**(391,227)**	**792**	**-**	**506**
Profit for the period	(1,562)	-	(1,625)	-	-	63
Other comprehensive income						
Foreign currency translation	(161)	-	-	(160)	-	(1)
Share of other comprehensive income of associates	-	-	-	-	-	-
Other comprehensive income for the period, net of tax	**(161)**	**-**	**-**	**(160)**	**-**	**(1)**
Total comprehensive income for the period	(1,723)	-	(1,625)	(160)	-	62
Closing balance at 30 June 2016	**11,095**	**402,747**	**(392,852)**	**632**	**-**	**568**
(Loss)/Profit for the period	2,627		2,685			(59)
Other comprehensive income						
Foreign currency translation	308	-	-	308	-	-
Share of other comprehensive income of associates	-	-	-	-	-	-
Other comprehensive income for the period, net of tax	**308**	**-**	**-**	**308**	**-**	**-**
Total comprehensive income for the period	2,935	-	2,685	308	-	(59)
Changes in ownership interests in subsidiaries						
Issuance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-
Total transactions with owners in their capacity as owners	**-**	**-**	**-**	**-**	**-**	**-**
Closing balance at 31 December 2016	**14,030**	**402,747**	**(390,167)**	**940**	**-**	**509**

2015 Group	Equity, total S$'000	Share capital S$'000	Retained losses S$'000	Foreign currency translation reserve S$'000	Other reserve S$'000	Non-controlling interests S$'000
Opening balance at 1 January 2015	**338,607**	**402,747**	**(65,521)**	**560**	**451**	**370**
Profit for the period	5,210	-	5,186	-	-	24
Other comprehensive income						
Foreign currency translation	144	-	-	144	-	-
Share of other comprehensive income of associates	166			226	(60)	
Other comprehensive income for the period, net of tax	**310**	**-**	**-**	**370**	**(60)**	**-**
Total comprehensive income for the period	5,520	-	5,186	370	(60)	24
Changes in ownership interests in subsidiary						
Issuance of shares by subsidiaries to non-controlling shareholders	2,058	-	-	-	-	2,058
Total contributions by and distributions to owners	2,058	-	-	-	-	2,058
Changes in ownership interests in subsidiaries						
Acquisition of non-controlling interests	-	-	-	-	-	-
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-
Total transactions with owners in their capacity as owners	**2,058**	**-**	**-**	**-**	**-**	**2,058**
Closing balance at 30 June 2015	**346,185**	**402,747**	**(60,335)**	**930**	**391**	**2,452**
(Loss)/Profit for the period	(333,285)	-	(330,892)	-	-	(2,393)
Other comprehensive income						
Foreign currency translation	292	-	-	262	-	30
Share of other comprehensive income of associates	(791)	-	-	(400)	(391)	-
Other comprehensive income for the period, net of tax	(499)	-	-	(138)	(391)	30
Total comprehensive income for the period	(333,784)	-	(330,892)	(138)	(391)	(2,363)
Changes in ownership interests in subsidiaries						
Issuance of shares by subsidiaries to non-controlling shareholders	417	-	-	-	-	417
Total changes in ownership interests in subsidiaries	417	-	-	-	-	417
Total transactions with owners in their capacity as owners	**417**	**-**	**-**	**-**	**-**	**417**
Closing balance at 31 December 2015	**12,818**	**402,747**	**(391,227)**	**792**	**-**	**506**

2016 Company	Equity, total S$'000	Share capital S$'000	Retained losses S$'000
Opening balance at 1 January 2016	**15,062**	**402,747**	**(387,685)**
Profit for the period, representing total comprehensive income for the period	148	-	148
Closing balance at 30 June 2016	15,210	402,747	(387,537)
Loss for the period, representing total comprehensive income for the period	(4,593)	-	(4,593)
Closing balance at 31 December 2016	**10,617**	**402,747**	**(392,130)**

2015 Company	Equity, total S$'000	Share capital S$'000	Retained losses S$'000
Opening balance at 1 January 2015	**330,345**	**402,747**	**(72,402)**
Loss for the period, representing total comprehensive income for the period	146	-	146
Closing balance at 30 June 2015	**330,491**	**402,747**	**(72,256)**
Loss for the period, representing total comprehensive income for the period	(315,429)	-	(315,429)
Closing balance at 31 December 2014	**15,062**	**402,747**	**(387,685)**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, 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, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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 year.

Changes in Company's Share Capital :

The Company held no outstanding convertibles and treasury shares at 31 December 2016 and 31 December 2015.

	Company			
	31-Dec-16		30-Sep-16	
	Number of shares '000	S$'000	Number of shares '000	S$'000
At 1 January (excluding treasury shares)	17,053,170	402,747	17,053,170	402,747
Pursuant to share placement	-	-	-	-
At 31 December/30 September	17,053,170	402,747	17,053,170	402,747

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.

Please refer to 1(d)(ii)

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

Not applicable, as the Company held no treasury shares at the beginning and end of the financial period reported.

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

The financial statements presented above have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' 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.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting year compared with those used in the audited financial statements for the financial year ended 31 December 2015, except for the adoption of the revised financial reporting standard ("FRS") and interpretations to FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2016.

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

The Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRS") for accounting periods beginning 1 January 2016, where applicable.

The adoption of new / revised FRS and INT FRS does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior period.

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.

	Three Months Ended		Twelve Months	
	31 Dec 2016 S$'000	31 Dec 2015 S$'000	31 Dec 2016 S$'000	31 Dec 2015 S$'000
(Loss)/Profit for the year attributable to owners of the Company	2,479	(331,963)	1,058	(325,706)
Profit net of tax, attributable to owners of	2,479	(331,963)	1,058	(325,706)
	No. of shares '000	No. of shares '000	No. of shares '000	No. of shares '000
Weighted average number of ordinary	17,053,170	17,053,170	17,053,170	17,053,170
Earnings per share attributable to				
Basic	0.0001	(0.019)	0.0001	(0.019)
Diluted	0.0001	(0.019)	0.0001	(0.019)

The basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares for basic earnings per share computation.

The diluted earnings per share is calculated on the same basis as basic earnings per share except that the denominator is adjusted to include any dilutive potential ordinary shares deemed exercised at the beginning of each financial year.

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 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Net asset value per ordinary share is calculated based on 17,053,169,818 ordinary shares in issue at the end of the period under review and of the immediate preceding financial year (S$ cents per share)	0.08	0.08	0.06	0.09

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.

(a) Turnover, costs and earnings

For the fourth quarter of the year 2016 ("4QFY2016"), the Group's turnover decreased by 10.1% from S$39.45 million to S$35.48 million. For the full financial year ended 31 December 2016 ("FY2016"), the Group recorded a turnover of S$89.86 million, representing a decrease of 42.5% as compared to the turnover of S$156.15 million for the corresponding year ended 31 December 2015 ("FY2015"). The decreases were mainly due to the distribution sales of mobile handsets and accessories and retail sale of computer electronics and related products.

The revenue of the Company's Distribution segment and Retail consumer electronics segment decreased by S$56.13 million and S$18.99 million respectively, while the revenue from its Retail telecommunication segment and Corporate segment remained stable in FY2016. The decrease of the revenue of the Company's Retail consumer electronics segment was mostly due to the closure of the Lenovo and Sony retail outlets in 2016. The decrease of the revenue of the Company's Distribution segment was mostly due to regional market competition.

The Group's gross profit for FY2016 decreased by 31% to S$5.34 million. The decrease for FY2016 was mainly due to the lower revenue generated in FY2016 compared to FY2015 by 42.5%. The Group's gross profit margin for FY2016 was 5.94% compared to 4.94% in FY2015, such increase mostly being contributed from the Group's Retail consumer electronic and Distribution segments. The Group also booked better operating profit before tax in FY2016 of S$1.00 million compared to FY 2015 when the Group booked a loss of S$328.41 million.

For FY2016, the Group's other income decreased by 46.9% to S$0.79 million from S$1.50 million. The decrease was mainly due to the cessation of fund support to the Group from a brand principal in FY2016.

The Group's net profit for FY2016 of S$1.07 million increased by S$329.14 million compared to the net loss booked in FY2015 of S$328.08 million which mostly came from provision for impairment of the investment in an associate in the amount of S$302.3 million. The increase in net profit was also attributable to the decrease in marketing & distribution expenses, administrative expenses and other expenses which consist of reversal of provision for the impairment of a loan receivable from an associate of S$2.14 million.

(b) Cash flow, working capital, assets or liabilities

The Group posted a net increase of S$3.84 million in cash and cash equivalents as at 31 December 2016 which primarily arises from net cash flow generated from operating activities of S$6.29 million. This operating cash flow mostly arises from a decrease of inventory in the amount of S$ 2.32 million and collection of the Trade and other receivables of S$4.83 million.

The Group's Trade and other receivables and inventory decreased from S$11.8 million and S$3.81 million in FY2015 to S$8.66 million and S$1.45 million in FY2016 respectively. The decrease of Trade and other receivables was mostly due to cash collection of the receivables while the decrease of inventory was mostly due to the closure of Lenovo and Sony retail outlet during FY2016.

The Group's working capital in FY2016 was S$10.24 million which increased by S$1.54 million compared to the Group's working capital in FY2015 of S$8.70 million. The increase mostly came from collection of Trade and other receivables and decrease in inventory offset by the repayment of Bank borrowing in the liability side.

The Group's loans and borrowing decreased by S$3.09 million mostly due to repayment of the bank borrowing.

The Group's net assets increased from S$12.8 million as at 31 December 2015 to S$14.0 million as at 31 December 2016. This was mainly due to net profit generated during FY2016.

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 by the Group 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.

A relatively flat growth in retail industry in Singapore and in the other part of the region where the Company operates may be perceived as the biggest challenge of growth for the Company within the next 12 months to come. Additionally, the total dependancy on the brand manufacturers where the Company gets the products from are also seen as another risk factor as the Company does not have much leverage when it comes to negotiating commercial and financial term.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for the period under review.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained for the period under review.

14. Status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8.

No proceeds raised from IPO and any offerings for the period under review.

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 operating 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

The Group is organised into business units based on its products and services, and has four reportable operating segments as follows:

I. The distribution segment engages in the distribution of consumer electronics, mobile communication devices and accessories for leading brands.

II. The retail telecommunication segment engages in the retail sale of mobile communication devices and accessories and provision of broadband and other related telecommunication services in Singapore. It operates a network of strategically located retail stores island-wide.

III. The retail consumer electronics segment engages in the retail sale of IT and related products in Singapore. It offers a wide range of electronics products and services from reputable brand such as Apple, Lenovo and Sony. Lenovo and Sony retail outlets were closed on June 2016 and January 2016 respectively

IV. The corporate segment is involved in Group-level corporate services, treasury functions and investment in marketable securities. It is also involved in strategic investment and joint venture opportunities in emerging South East Asia markets to synergise and complement the Group's existing offerings.

FY2016	Distribution	Retail consumer electronics	Retail telecommunication		Corporate	Adjustments and eliminations	Per consolidated financial statements
			Standalone (M1)	With franchise (SingTel)			
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Revenue							
External customers	34,016	13,879	-	41,930	30	-	89,855
Inter-segment	108	2,927	-	23,300	-	(26,334)	-
	34,123	16,806	-	65,229	30	(26,334)	89,855
Results:							
Interest income	97	0	-	11	245	-	353
Depreciation and Amortisation	9	143	-	277	524	-	953
Share of results of associates	-	-	-	-	23	-	23
Other non-cash expenses	(115)		-	410	4,814	(5,145)	(36)
Segment profit/(loss)	1,035	(749)	-	25	(4,438)	5,194	1,067

FY2015	Distribution	Retail consumer electronics	Retail telecommunication		Corporate	Adjustments and eliminations	Per consolidated financial statements
			Standalone (M1)	With franchise (SingTel)			
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Revenue							
External customers	89,852	21,444	301	44,522	29		156,148
Inter-segment	397	14,348	86	20,986	-	(35,817)	-
	90,249	35,792	387	65,508	29	(35,817)	156,148
Results:							
Interest income	280	-	-	-	206	-	486
Depreciation and Amortisation	(12)	(231)	-	(429)	(516)	-	(1,188)
Share of results of associates						(16,742)	(16,742)
Other non-cash expenses	(4,996)	20	90	11	(305,658)	-	(310,775)
Segment profit/(loss)	(1,061)	(877)	(178)	412	(8,070)	(318,632)	(318,406)

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

Please refer to Note 8(a) above

17. A breakdown of sales as follows:

	Latest Financial Year S$'000	Previous Financial Year S$'000	Increase/ (Decrease) %
	Group	Group	Group
(a) Revenue reported for the first half year	37,628	77,271	(51)
(b) Operating profit/loss after tax before deducting minority interests reported for the first half year	(1,561)	5,210	(130)
(c) Revenue reported for the second half year	52,227	78,877	(34)
(d) Operating profit/loss after tax before deducting minority interests reported for the second half year	2,625	(333,285)	101

For breakdown by type of sales, see Note 1 above.

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:
Not applicable. No dividend has been declared or recommended for the period under review.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such person, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer

20. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

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

BY ORDER OF THE BOARD

JULIANA JULIANTI SAMUDRO
CHIEF FINANCIAL OFFICER
Date: 28 FEBRUARY 2017

PETER ANG CHUAN HUI
CHIEF EXECUTIVE OFFICER
Date: 28 FEBRUARY 2017

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B : Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.*

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

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