

**POLARIS LTD.**

(previously known as CarrierNet Global Ltd.)

(Company Registration No. : 198404341D)

Incorporated in the Republic of Singapore

**UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 31 DECEMBER 2013**
**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**

	Twelve Months Ended			Six Months Ended		
	2013 S\$'000	2012 S\$'000	Inc/(Dec) %	1 Jul to 31 Dec 2013 S\$'000	1 Jul to 31 Dec 2012 S\$'000	Inc/(Dec) %
<b>CONTINUING OPERATIONS</b>						
Revenue (Note 1)	101,088	149,455	(32)	62,484	61,675	1
Cost of Sales	(93,626)	(144,696)	(35)	(57,696)	(59,896)	(4)
<b>Gross profit</b>	<b>7,462</b>	<b>4,759</b>	<b>57</b>	<b>4,788</b>	<b>1,779</b>	<b>169</b>
<b>Other items of income</b>						
Interest income	86	4	(2,050)	85	2	(4,150)
Other income (Note 2)	1,206	1,370	(12)	18	1,370	99
<b>Other items of expense</b>						
Marketing and distribution	(285)	(74)	285	(158)	(46)	243
Administrative expenses	(6,477)	(2,371)	351	(4,164)	(1,228)	239
Finance costs	(131)	(5)	2,520	(110)	(5)	2,100
Other expenses (Note 3)	(1,073)	(105)	922	(832)	(75)	1,009
<b>Profit/ (loss) before tax from continuing operations</b>	<b>788</b>	<b>3,578</b>	<b>(78)</b>	<b>(373)</b>	<b>1,797</b>	<b>N.M.</b>
Income tax expense	(31)	(3)	933	(23)	167	N.M.
<b>Profit/ (loss) from continuing operations, net of tax</b>	<b>757</b>	<b>3,575</b>	<b>(79)</b>	<b>(396)</b>	<b>1,964</b>	<b>N.M.</b>
<b>DISCONTINUED OPERATION</b>						
Loss from discontinued operation, net of tax	-	(387)	N.M.	-	(348)	N.M.
<b>Profit/ (loss) for the year</b>	<b>757</b>	<b>3,188</b>	<b>(76)</b>	<b>(396)</b>	<b>1,616</b>	<b>N.M.</b>
<b>Attributable to:</b>						
<b>Owners of the Company</b>						
Profit/ (loss) from continuing operations, net of tax	796	3,584	(78)	(384)	1,973	N.M.
Loss from discontinued operation, net of tax	-	(387)	N.M.	-	(348)	N.M.
<b>Profit/ (loss) for the year attributable to owners of the Company</b>	<b>796</b>	<b>3,197</b>	<b>(75)</b>	<b>(384)</b>	<b>1,625</b>	<b>N.M.</b>
<b>Non-controlling interests</b>						
(Loss)/ profit from continuing operations, net of tax	(39)	(9)	333	(12)	(9)	N.M.
<b>Loss for the year attributable to non-controlling interests</b>	<b>(39)</b>	<b>(9)</b>	<b>333</b>	<b>(12)</b>	<b>(9)</b>	<b>N.M.</b>



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**Consolidated Statement of Comprehensive Income**

	Twelve Months Ended			Six Months Ended		
	2013 S\$'000	2012 S\$'000	Inc/(Dec) %	1 Jul to 31 Dec 2013 S\$'000	1 Jul to 31 Dec 2012 S\$'000	Inc/(Dec) %
<b>Profit/ (loss) for the year</b>	757	3,188	(76)	(396)	1,616	N.M.
<b>Other comprehensive income: Items that may be reclassified subsequently to profit or loss</b>						
Foreign currency translation	4	(321)	N.M.	(200)	(209)	(4)
<b>Other comprehensive income for the year, net of tax</b>	4	(321)	N.M.	(200)	(209)	(4)
<b>Total comprehensive income for the year</b>	761	2,867	(73)	(596)	1,407	N.M.
<b>Attributable to:</b>						
Owners of the Company	800	2,876	(72)	(584)	1,416	N.M.
Non-controlling interests	(39)	(9)	333	(12)	(9)	33
<b>Total comprehensive income for the year</b>	761	2,867	(73)	(596)	1,407	N.M.
<b>Attributable to:</b>						
<b>Owners of the Company</b>						
Total comprehensive income from continuing operations, net of tax	800	3,263	(75)	(584)	1,764	N.M.
Total comprehensive income from discontinued operations, net of tax	-	(387)	N.M.	-	(348)	N.M.
<b>Total comprehensive income for the year attributable to owners of the Company</b>	800	2,876	(72)	(584)	1,416	N.M.

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	Twelve Months Ended			Six Months Ended		
	2013	2012	Inc/(Dec)	1 Jul to 31 Dec 2013	1 Jul to 31 Dec 2012	Inc/(Dec)
<i>Note 1 - Revenue</i>	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Distribution sale of mobile handsets & accessories	52,914	149,215	(65)	25,164	61,435	(59)
Retail sale of mobile handsets & other apparatus	28,019	240	11,575	17,166	240	7,052
Retail sale of computer hardware & accessories and computer software	20,037	-	N.M.	20,037	-	N.M.
Other revenue	118	-	N.M.	118	-	N.M.
	101,088	149,455	(32)	62,484	61,675	1

	Twelve Months Ended			Six Months Ended		
	2013	2012	Inc/(Dec)	1 Jul to 31 Dec 2013	1 Jul to 31 Dec 2012	Inc/(Dec)
<i>Note 2 - Other income</i>	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Grant income from Jobs Credit Scheme	-	10	N.M.	-	10	N.M.
Provisional negative goodwill arising from acquisition	1,086	-	N.M.	(34)	-	N.M.
Other miscellaneous income	120	73	64	52	73	(29)
Write back of provision for litigation settlement	-	1,287	N.M.	-	1,287	N.M.
	1,206	1,370	(12)	18	1,370	(99)

	Twelve Months Ended			Six Months Ended		
	2013	2012	Inc/(Dec)	1 Jul to 31 Dec 2013	1 Jul to 31 Dec 2012	Inc/(Dec)
<i>Note 3 - Other expenses</i>	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Amortisation of intangible assets	(238)	-	N.M.	(238)	-	N.M.
Bank charges	(275)	(32)	759	(222)	(16)	1,288
Depreciation of property, plant and equipment	(439)	(37)	1,086	(284)	(34)	735
Depreciation of investment property	(25)	(4)	525	(13)	(4)	225
Net loss on disposal of property, plant and equipment	(71)	-	N.M.	(71)	-	N.M.
Net foreign exchange loss	(21)	(32)	(34)	(1)	(21)	(95)
Inventories written-down	(4)	-	N.M.	(3)	-	N.M.
	(1,073)	(105)	922	(832)	(75)	1,009

N.M. denotes Not Meaningful

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**UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 31 DECEMBER 2013**

 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	
	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5,162	2,680	4,407	2,522
Investment properties	719	744	719	744
Intangible assets (note 5)	1,923	-	-	-
Other receivables	3,554	-	7,413	-
Investment in subsidiaries	-	-	7,526	7,439
	11,358	3,424	20,065	10,705
<b>Current assets</b>				
Inventories	4,171	241	-	-
Prepaid operating expenses	62	136	21	29
Trade and other receivables	14,048	3,223	1,709	1,060
Cash and cash equivalents	5,686	7,282	351	836
	23,967	10,882	2,081	1,925
<b>Total assets</b>	<b>35,325</b>	<b>14,306</b>	<b>22,146</b>	<b>12,630</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	8,095	2,989	141	1,079
Deferred revenue	18	13	-	-
Other liabilities	939	665	466	532
Provision	-	101	-	101
Income tax payable	11	-	-	-
Loans and borrowings (Note 4)	1,242	2,103	163	2,103
	10,305	5,871	770	3,815
<b>Net current assets/ (liabilities)</b>	<b>13,662</b>	<b>5,011</b>	<b>1,311</b>	<b>(1,890)</b>
<b>Non-current liabilities</b>				
Loans and borrowings (Note 4)	4,394	2,219	3,437	2,219
Other payables	92	-	-	-
	4,486	2,219	3,437	2,219
<b>Total liabilities</b>	<b>14,791</b>	<b>8,090</b>	<b>4,207</b>	<b>6,034</b>
<b>Net assets</b>	<b>20,534</b>	<b>6,216</b>	<b>17,939</b>	<b>6,596</b>
<b>Equity attributable to members</b>				
Share capital	89,769	76,494	89,769	76,494
Retained losses	(69,690)	(70,486)	(71,830)	(69,898)
Foreign currency translation reserve	425	217	-	-
	20,504	6,225	17,939	6,596
<b>Non-controlling interests</b>	30	(9)	-	-
<b>Total equity</b>	<b>20,534</b>	<b>6,216</b>	<b>17,939</b>	<b>6,596</b>
<b>Total equity and liabilities</b>	<b>35,325</b>	<b>14,306</b>	<b>22,146</b>	<b>12,630</b>

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

	As at 31 Dec 2013		As at 31 Dec 2012	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Note 4 - Loans and borrowings</i>				
<b>Current:</b>				
Bank loan	-	-	2,000	-
Other borrowings		1,079	-	-
Commercial property loan	163	-	103	-
Amount repayable in one year or less, or on demand	163	1,079	2,103	-
<b>Non-current:</b>				
Other borrowings		957	-	-
Commercial property loan	3,437	-	2,219	-
Amount repayable after one year	3,437	957	2,219	-
<b>Total loans and borrowings</b>	<b>3,600</b>	<b>2,036</b>	<b>4,322</b>	<b>-</b>

SGD commercial property loan

This loan of an aggregate of S\$3,682,000 was borrowed by the Company from United Overseas Bank Limited which is secured by the first and second mortgage over the Group's leasehold properties and is repayable in 240 instalments, bearing the interest at the following rates over the loan period:

1st Year - 3.22% below the Bank's Commercial Financing Rate ("BCFR")

2nd Year - 2.92% below the BCFR

3rd Year - 1.82% below the BCFR

Thereafter - 0.75% over the BCFR

Currently, BCFR is at 4.50% per annum.

Other borrowings

This relates to unsecured loan from non-controlling shareholders to the Company's subsidiaries and bears fixed interest rate at 5.75% per annum.

**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**

	Twelve Months	
	2013	2012
	S\$'000	S\$'000
<b>OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	788	3,578
<b>Loss before tax from discontinued operation</b>	-	(392)
<b>Profit before tax, total</b>	788	3,186
<u>Adjustments for :</u>		
Amortisation of intangible assets	238	-
Depreciation of property, plant and equipment	439	37
Depreciation of investment property	25	4
Finance costs	131	5
Interest income	(86)	(4)
Inventories written-down	4	-
Negative goodwill arising on acquisition of business	(1,086)	-
Net gain on disposal of subsidiaries	-	45
Net loss on disposal of property, plant and equipment	71	-
Write back of provision for litigation settlement	-	(1,287)

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Total adjustments	(264)	(1,200)
<b>Operating cash flows before changes in working capital</b>	<b>524</b>	<b>1,986</b>
<u>Changes in working capital</u>		
(Increase)/ Decrease in:		
Inventories	(2,250)	(131)
Trade and other receivables	(13,248)	6,062
Prepaid operating expenses	101	(134)
(Decrease)/ Increase in:		
Trade and other payables	5,392	(4,859)
Other liabilities	96	104
Total changes in working capital	(9,909)	1,042
<b>Cash flows (used in)/ from operations</b>	<b>(9,385)</b>	<b>3,028</b>
Interest received	86	4
Interest paid	(131)	(5)
Income taxes paid	(20)	(3)
<b>Net cash flows (used in)/ from operating activities</b>	<b>(9,450)</b>	<b>3,024</b>
<b>INVESTING ACTIVITIES</b>		
Net cash outflow on acquisition of businesses and business assets less a	(17)	-
Net cash outflow on acquisition of businesses and business assets <sup>5(ii)</sup>	(542)	-
Proceeds from disposal of interest in subsidiaries	-	91
Proceeds from disposal of property, plant and equipment	-	4
Purchase of investment property	-	(748)
Purchase of property, plant and equipment	(2,363)	(2,709)
<b>Net cash flows used in investing activities</b>	<b>(2,922)</b>	<b>(3,362)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares of the Company	11,275	-
Proceeds from issuance of shares by subsidiaries to non-controlling shareholders	78	-
Proceeds from loans and borrowings	1,417	4,303
Repayment of loans and borrowings	(2,139)	(9)
Repayment of obligations under finance leases	-	-
Repayment of short-term borrowings	-	-
Share issue expense	-	-
<b>Net cash flows generated from financing activities</b>	<b>10,631</b>	<b>4,294</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(1,741)</b>	<b>3,956</b>
Effect of exchange rate changes on cash and cash equivalents	145	(224)
Cash and cash equivalents at 1 January	7,282	3,550
<b>Cash and cash equivalents at 31 December</b>	<b>5,686</b>	<b>7,282</b>

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Note 5(i) - Acquisition of Businesses and Business Asset Less Assumed Liabilities

On 30 May 2013, the Group's subsidiary company, Polaris Network Pte. Ltd. ("Network") acquired the businesses and business assets less assumed liabilities (the "Acquired Business") of Juzz1 Holdings Singapore Pte. Ltd. ("Juzz1") as disclosed by the Company in its SGXNet announcements dated 29 April 2013, 30 May 2013, 19 June 2013 and 24 June 2013, respectively. Upon the completion of the acquisition, Juzz1's Acquired Business was transferred to Network.

The fair value of the identifiable assets and liabilities of Juzz1 as at the acquisition date were:

	Fair value recognised on acquisition
Property, plant and equipment	352,468
Trade and other receivables	1,042,984
Inventories	1,677,480
Cash and cash equivalents	1,482,700
	<u>4,555,633</u>
Trade and other payables	<u>(1,723,896)</u>
	<u>(1,723,896)</u>
Total identifiable net assets at fair value	2,831,737
Provisional goodwill arising from acquisition	668,263
	<u>3,500,000</u>

Consideration transferred for the acquisition of Juzz1

Cash paid	1,500,000
Deferred cash settlement	1,500,000
Equity instruments issued (81,967,213 ordinary shares of Polaris Ltd.)	2,000,000
	<u>5,000,000</u>
Less: Adjustment to deferred cash settlement	<u>(1,500,000)</u>
Total consideration transferred	<u>3,500,000</u>

Effect of the acquisition of Juzz1 on cash flows

Total consideration for equity interest acquired	3,500,000
Less: non-cash consideration	<u>(2,000,000)</u>
Consideration settled in cash	1,500,000
Less: Cash and cash equivalents of interest acquired	<u>(1,482,700)</u>
Net cash outflow on acquisition	<u>17,300</u>

Note 5(ii) - Acquisition of Businesses and Business Asset

On 1 April 2013, the Group's subsidiary company, Polaris Telecom Pte. Ltd. ("Telecom") acquired the businesses and business assets (the "Acquired Business") of Multi-Channels Services Pte. Ltd. ("Multi-Channels"). Upon the completion of the acquisition, Multi-Channels' Acquired Business was transferred to Telecom.

The fair value of the identifiable assets and liabilities of Multi-Channels as at the acquisition date were:

	Fair value recognised on acquisition
Property, plant and equipment	135,698
Provisional intangible assets recognised	1,492,602
	<u>1,628,300</u>
Total identifiable net assets at fair value	1,628,300
Provisional negative goodwill arising from acquisition	<u>(1,086,244)</u>
	<u>542,056</u>

Consideration for the acquisition of Multi-Channels

Cash paid	542,056
Total consideration paid	<u>542,056</u>

Effect of the acquisition of Multi-Channels on cash flows

Total consideration for interest acquired	542,056
Less: Cash and cash equivalents of interest acquired	-
Net cash outflow on acquisition	<u>542,056</u>

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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 :**

2013 Group	Equity, total	Share capital	Retained losses	Foreign currency translation reserve	Non-controlling interests
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Opening balance at 1 January 2013</b>	6,216	76,494	(70,486)	217	(9)
<b>Profit for the period</b>	1,153	-	1,180	-	(27)
<u>Other comprehensive income</u>					
Foreign currency translation	204	-	-	204	-
<b>Other comprehensive income for the period, net of tax</b>	204	-	-	204	-
<b>Total comprehensive income for the period</b>	1,357	-	1,180	204	(27)
<u>Contributions by and distributions to owners</u>					
Issuance of ordinary shares	11,275	11,275	-	-	-
Shares issued for acquisition of businesses	2,000	2,000	-	-	-
<b>Total contributions by and distributions to owners</b>	13,275	13,275	-	-	-
<b>Total transactions with owners in their capacity as owners</b>	13,275	13,275	-	-	-
<b>Closing balance at 30 June 2013</b>	20,848	89,769	(69,306)	421	(36)
<b>Profit for the period</b>	(396)	-	(384)	-	(12)
<u>Other comprehensive income</u>					
Foreign currency translation	4	-	-	4	-
<b>Other comprehensive income for the period, net of tax</b>	4	-	-	4	-
<b>Total comprehensive income for the period</b>	(392)	-	(384)	4	(12)
<u>Changes in ownership interests in subsidiaries</u>					
Issuance of shares by subsidiaries to non-controlling shareholders	78	-	-	-	78
<b>Total changes in ownership interests in subsidiaries</b>	78	-	-	-	78
<b>Total transactions with owners in their capacity as owners</b>	78	-	-	-	78
<b>Closing balance at 31 December 2013</b>	20,534	89,769	(69,690)	425	30



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2012 Group	Equity, total S\$'000	Share capital S\$'000	Retained losses S\$'000	Foreign currency translation reserve S\$'000	Non-controlling interests S\$'000
Opening balance at 1 January 2012	3,349	76,494	(73,683)	538	-
<b>Profit for the period</b>	1,572	-	1,572	-	-
<u>Other comprehensive income</u>					
Foreign currency translation	(112)	-	-	(112)	-
<b>Other comprehensive income for the period, net of tax</b>	(112)	-	-	(112)	-
<b>Total comprehensive income for the period</b>	1,460	-	1,572	(112)	-
Closing balance at 30 June 2012	4,809	76,494	(72,111)	426	-
<b>Profit for the period</b>	1,625	-	1,625	-	-
<u>Other comprehensive income</u>					
Foreign currency translation	(209)	-	-	(209)	-
<b>Other comprehensive income for the period, net of tax</b>	(209)	-	-	(209)	-
<b>Total comprehensive income for the period</b>	1,416	-	1,625	(209)	-
<u>Changes in ownership interests in subsidiaries</u>					
Acquisition of non-controlling interests without a change in control	(9)	-	-	-	(9)
Share issuance expense	-	-	-	-	-
<b>Total changes in ownership interests in subsidiaries</b>	(9)	-	-	-	(9)
<b>Total transactions with owners in their capacity as owners</b>	1,407	-	1,625	(209)	(9)
Closing balance at 31 December 2012	6,216	76,494	(70,486)	217	(9)

2013 Company	Equity, total S\$'000	Share capital S\$'000	Retained losses S\$'000
Opening balance at 1 January 2013	6,596	76,494	(69,898)
<b>Profit for the period, representing total comprehensive income for the period</b>	(57)	-	(57)
<u>Contributions by and distributions to owners</u>			
Issuance of ordinary shares	11,275	11,275	-
Shares issued for acquisition of businesses	2,000	2,000	-
<b>Total transactions with owners in their capacity as owners</b>	13,275	13,275	-
Closing balance at 30 June 2013	19,814	89,769	(69,955)
<b>Loss for the period, representing total comprehensive income for the period</b>	(1,875)	-	(1,875)

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Closing balance at 31 December 2013	17,939	89,769	(71,830)
<b>2012 Company</b>	Equity, total S\$'000	Share capital S\$'000	Retained losses S\$'000
Opening balance at 1 January 2012	3,556	76,494	(72,938)
Profit for the period, representing total comprehensive income for the period	232	-	232
Closing balance at 30 June 2012	3,788	76,494	(72,706)
Profit for the period, representing total comprehensive income for the period	2,808	-	2,808
Closing balance at 31 December 2012	6,596	76,494	(69,898)

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 treasury shares at the beginning and end of the financial period reported.

	Company			
	2013		2012	
	Number of shares '000	S\$'000	Number of shares '000	S\$'000
At 1 January (excluding treasury shares)	2,325,879	76,494	2,325,879	76,494
Pursuant to share placement	1,025,000	11,275	-	-
Issued for acquisition of businesses	81,967	2,000	-	-
At 30 June	3,432,846	89,769	2,325,879	76,494
Pursuant to share placement	-	-	-	-
At 31 December	3,432,846	89,769	2,325,879	76,494

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 period compared with those used in the audited financial statements for the financial year ended 31 December 2012, 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 2013.

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**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 2013, 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.**

	Twelve Months	
	2013 S\$'000	2012 S\$'000
Profit for the year attributable to owners of the Company	796	3,197
<i>Add back</i> : Loss from discontinued operation, net of tax, attributable to owners of the Company	-	387
Profit from continuing operations, net of tax, attributable to owners of the Company used in the computation of basic earnings per share from continuing operations	796	3,584
	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for basic earnings per share computation	3,031,511	2,325,879
<b>Earnings per share from continuing operations attributable to owners of the Company (cents per share)</b>		
Basic	0.03	0.15
Diluted	0.03	0.15
<b>Earnings per share from discontinued operation attributable to members (cents per share)</b>		
Basic	-	(0.02)
Diluted	-	(0.02)

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	
	2013	2012	2013	2012
Net asset value per ordinary share is calculated based on 3,432,845,979 (31.12.2012: 2,325,878,766) ordinary shares in issue at the end of the period under review and of the immediate preceding financial year (S\$ cents per share)	0.60	0.27	0.52	0.28

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**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 second half of the year 2013 ("2HY2013"), the Group's revenue increased by 1% from S\$61.675 million to S\$62.484 million. For the financial year ended 31 December 2013 ("FY 2013"), the Group recorded a turnover of S\$101.088 million, a decrease of 32% as compared to the corresponding year ended 31 December 2012 ("FY 2012") at S\$149.455 million. The decrease was due to the Group's strategy to focus on its retail segment as it aims to move towards a more stable, growth-oriented and profitable line of business, which translated to an improvement in the Group's overall gross profit margin from 3% to 7%.

The retail telecommunication segment's revenue increased significantly from S\$0.356 million to S\$28.019 million due to the inclusion of the nine months result of the Group's subsidiary, Polaris Telecom Pte. Ltd., ("Polaris Telecom"). Polaris Telecom started operations in April 2013 and it is the exclusive distributor of SingTel Singapore Telecommunications Limited, SingTel Mobile Singapore Pte. Ltd., SingNet Pte. Ltd. and Telecom Equipment Pte. Ltd. (collectively, the "SingTel Group Companies") to carry out sales, marketing and promotional activities in Singapore in order to promote and procure the sale of telecommunications and/or broadcasting services provided by each of the SingTel Group Companies.

In FY2013, retail telecommunication segment with franchise (SingTel) contributed S\$26.635 million, while standalone (M1) contributed S\$1.384 million in revenue.

Further, after the acquisition of Juzz1 Holdings (Pte) Ltd. ("Juzz1"), the business assets and businesses were transferred to the Group's subsidiary, Polaris Network Pte. Ltd. ("Polaris Network"). Juzz1 is engaged in the retail sale of computer hardware and accessories, and computer software business. Retail consumer electronics segment contributed S\$20.037 million during FY2013 for the period from June to December 2013.

Due to higher operating expenses, in particular higher manpower costs and leasing of the retail outlets, net profit for the Group declined by 75% from S\$3.197 million to S\$0.796 million year-on-year. Net Profit for FY2013 includes a negative goodwill of S\$1.086 million that arose from the acquisition of SingTel business from Multi-Channels.

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

The Group has deficit cash from operations as at 31 December 2013 primarily due to higher working capital needs.

With the inclusion of the new businesses, Juzz1 as well as the incorporation of Polaris Telecom, the Group's net assets increased significantly from S\$6.216 million to S\$20.534 million.

**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.**

Despite tighter competition in the industry, the group has successfully established the retail business for telecommunication and consumer electronic in less than a year whilst still maintaining the sustainability of its distribution business. It has been an exciting year to integrate these business into the Group. In FY2013, the new retail business which consists of telecommunication and consumer electronics have contributed approximately 50% of the Group's revenue and if annualised, it surpassed the 50% mark.

Retail rental cost and manpower continue to be the key challenges to the bottom line but with a more streamlined organization, this could be mitigated, although close monitoring would still be required. In the case both costing's growth are not in line with the increment of the margin and growth of revenue, the bottom line would be at negative level. The thin margin may have an adverse impact on the overall performance of the group, particularly for the retail businesses.

**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.

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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 mobile communication devices and accessories.

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 owns retail chains through its subsidiaries, Polaris Telecom and Polaris Network which operates a network of strategically located stores island wide. The retail telecommunication segment is further segregated into standalone (comprising M1) and with franchise (comprising SingTel).

III. The retail consumer electronics segment engages in the retail sale of IT and related products in Singapore. It owns retail chains through its subsidiary, Polaris Network which operates a network of strategically located stores island wide.

IV. The corporate segment is involved in Group-level corporate services, treasury functions and investment in marketable securities.

V. The calling-card segment is a supplier of global Voice over Internet Protocol ("VoIP") network as well as its own VoIP service, Voice BB, wholesale carrier, retail international direct dial, global calling card products and service. This segment was disposed of in FY2012.

FY2013	Distribution	Retail consumer electronics	Retail telecommunication		Corporate	Adjustments and eliminations	Per consolidated financial
			Standalone (M1)	With franchise (SingTel)			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>							
External customers	53,032	20,037	1,384	26,635			101,088
Inter-segment	586	257	2,485	17,942	-	(21,270)	-
	53,618	20,294	3,869	44,577	-	(21,270)	101,088
<b>Results:</b>							
Interest income	86	-	-	-	-	-	86
Depreciation and Amortisation	3	92	61	312	234	-	702
Other non-cash expenses	78	2	72	-	1,966	(2,023)	95
Segment profit/(loss)	1,165	(380)	(1,083)	1,024	(1,932)	1,963	757

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FY2012	Distribution	Retail Telecommuni- cation	Corporate	Calling-card (Discontinued operation)	Adjustments and eliminations	Per consolidated financial statements
		Standalone (M1)				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>						
External customers	149,099	356				149,455
Inter-segment	30	25		822	(877)	-
	149,129	381	-	822	(877)	149,455
<b>Results:</b>						
Interest income	4	-	-	-	-	4
Depreciation and Amortisation	-	7	34	2	(2)	41
Dividend income	-	-	800	-	(800)	-
Other non-cash expenses	19	-	301	277	(565)	32
Segment profit/(loss)	817	(190)	2,953	(387)	382	3,575

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:**

	Group		
	FY 2013 S\$'000	FY 2012 S\$'000	Increase/ Decrease %
<b>First Half Year:</b>			
(a) Revenue	38,604	87,780	N.M.
(b) Profit from continuing operations, net of tax	1,161	1,781	(35)
(c) Profit before tax from continuing operations	1,153	1,611	(28)
<b>Second Half Year:</b>			
(a) Revenue	62,484	61,675	1
(b) Profit/ (loss) from continuing operations, net of tax	(373)	1,797	N.M.
(c) Profit/ (loss) before tax from continuing operations	(396)	1,964	N.M.

*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.**

The Company confirms that during financial year ended 31 December 2013, none of the persons occupying managerial positions in the Company or any of its subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

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

The following provides a status report on the utilisation of the proceeds from the Proposed Subscription of 1,025,000,000 new ordinary shares as per the Circular dated 3 April 2013.

Use of Proceeds	S\$'000	Percentage
Acquisition of Business of Retail Sale of Computer Hardware, Accessories And Software	1,500	13.3%
Expansion of Business of The Distribution of Mobile Communication Devices	6,000	53.2%
Down payment and Renovation Work for New Office Units	1,775	15.7%
Reduction of Loan	2,000	17.7%
	<b>11,275</b>	

The aforementioned uses are in accordance with the stated use and percentage allocation of the proceeds stated in the previous announcements/circular of the Company.

BY ORDER OF THE BOARD

JULIANA JULIANTI SAMUDRO  
 CHIEF FINANCIAL OFFICER  
 Date: 28 FEBRUARY 2014

PETER ANG CHUAN HUI  
 CHIEF EXECUTIVE OFFICER  
 Date: 28 FEBRUARY 2014

*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 Catalyst. 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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