

**POLARIS LTD.**

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

**UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 31 DECEMBER 2014**
**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		
	2014	2013	Inc/(Dec)	1 Jul to 31 Dec 2014	1 Jul to 31 Dec 2013	Inc/(Dec)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b> (Note 1)	133,096	101,088	32	70,577	62,484	13
Cost of Sales	(123,053)	(93,626)	31	(65,953)	(57,696)	14
<b>Gross profit</b>	10,043	7,462	35	4,624	4,788	(3)
<b>Other items of income</b>						
Interest income	177	86	106	176	85	107
Other income (Note 2)	536	1,206	(56)	300	18	1,566.67
<b>Other items of expense</b>						
Marketing and distribution	(593)	(285)	108	(487)	(158)	208
Administrative expenses	(7,873)	(6,477)	22	(4,060)	(4,164)	(2)
Finance costs	(168)	(131)	28	(141)	(110)	28
Other expenses (Note 3)	(1,442)	(1,073)	34	(541)	(832)	(35)
Share of results of associates	4,355	-	N.M.	4,355	-	N.M.
<b>Profit/ (loss) before tax</b>	5,035	788	539	4,226	(373)	N.M.
Income tax expense	(79)	(31)	155	(39)	(23)	70
<b>Profit/ (loss), net of tax</b>	<b>4,956</b>	<b>757</b>	<b>555</b>	<b>4,187</b>	<b>(396)</b>	<b>N.M.</b>
<b>Attributable to:</b>						
Owners of the Company	4,616	796	480	3,834	(384)	N.M.
Non-controlling interests	340	(39)	N.M.	353	(12)	N.M.
<b>Profit/ (loss) for the year/ period</b>	<b>4,956</b>	<b>757</b>	<b>555</b>	<b>4,187</b>	<b>(396)</b>	<b>N.M.</b>
<b>Other comprehensive income:</b>						
<b>Items that may be reclassified subsequently to profit or loss</b>						
Foreign currency translation	(39)	208	N.M.	35	4	775
<b>Other comprehensive income for the year/ period , net of tax</b>	<b>(39)</b>	<b>208</b>	<b>N.M.</b>	<b>35</b>	<b>4</b>	<b>775</b>
<b>Total comprehensive income for the year/ period</b>	<b>4,917</b>	<b>965</b>	<b>410</b>	<b>4,222</b>	<b>(392)</b>	<b>N.M.</b>
<b>Attributable to:</b>						
Owners of the Company	4,577	1,004	356	3,869	(380)	N.M.
Non-controlling interests	340	(39)	N.M.	353	(12)	N.M.
<b>Total comprehensive income for the year/ period</b>	<b>4,917</b>	<b>965</b>	<b>410</b>	<b>4,222</b>	<b>(392)</b>	<b>N.M.</b>

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	Twelve Months Ended			Six Months Ended		
	2014	2013	Inc/(Dec)	1 Jul to 31 Dec 2014	1 Jul to 31 Dec 2013	Inc/(Dec)
<i>Note 1 - Revenue</i>	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Distribution sale of mobile handsets & accessories	65,379	52,914	24	35,892	25,164	43
Retail sale of mobile handsets, accessories & services	37,481	28,019	34	20,723	19,695	5
Retail sale of computer electronics and related products	29,351	20,037	46	13,095	17,507	(25)
Other revenue	885	118	650	867	118	635
	133,096	101,088	32	70,577	62,484	13

	Twelve Months Ended			Six Months Ended		
	2014	2013	Inc/(Dec)	1 Jul to 31 Dec 2014	1 Jul to 31 Dec 2013	Inc/(Dec)
<i>Note 2 - Other income</i>	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Provisional negative goodwill arising from acquisition	-	1,086	N.M.	-	(34)	N.M.
Net gain on disposal of subsidiary	5	-	N.M.	-	-	N.M.
Net gain on waiver of accrued interest expense	87	-	N.M.	87	-	N.M.
Rental income	125	40	213	125	40	213
Other miscellaneous income	319	80	299	88	12	633
	536	1,206	(56)	300	18	1567

	Twelve Months Ended			Six Months Ended		
	2014	2013	Inc/(Dec)	1 Jul to 31 Dec 2014	1 Jul to 31 Dec 2013	Inc/(Dec)
<i>Note 3 - Other expenses</i>	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Amortisation of intangible assets	(318)	(238)	34	(159)	(238)	(33)
Bank charges	(419)	(275)	52	(192)	(222)	(14)
Depreciation of property, plant and equipment	(553)	(439)	26	(286)	(284)	1
Depreciation of investment property	(44)	(25)	76	(32)	(13)	146
Net loss on disposal of property, plant and equipment	(65)	(71)	(8)	-	(71)	N.M.
Net foreign exchange loss	(22)	(21)	5	140	(1)	N.M.
Inventories written-down	(21)	(4)	425	(12)	(3)	300
	(1,442)	(1,073)	34	(541)	(832)	(35)

*N.M. denotes Not Meaningful*

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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	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	6,853	5,162	6,296	4,407
Investment properties	2,593	719	2,593	719
Intangible assets	1,605	1,923	-	-
Investment in subsidiaries	-	-	8,512	7,526
Investment in associates	317,856	-	313,267	-
Investment securities	600	-	-	-
Other receivables	4,032	3,554	6,600	7,413
	333,539	11,358	337,268	20,065
<b>Current assets</b>				
Trade and other receivables	17,029	14,048	2,276	1,709
Inventories	3,754	4,171	-	-
Prepaid operating expenses	4,363	62	606	21
Cash and cash equivalents	3,173	5,686	252	351
	28,319	23,967	3,134	2,081
<b>Total assets</b>	<b>361,858</b>	<b>35,325</b>	<b>340,402</b>	<b>22,146</b>
<b>Current liabilities</b>				
Loans and borrowings (Note 4)	5,234	1,242	273	163
Trade and other payables	10,720	8,095	1,148	141
Deferred revenue	657	18	-	-
Other liabilities	792	939	555	466
Income tax payable	79	11	-	-
	17,482	10,305	1,976	770
<b>Net current assets</b>	<b>10,837</b>	<b>13,662</b>	<b>1,158</b>	<b>1,311</b>
<b>Non-current liabilities</b>				
Loans and borrowings (Note 4)	5,881	4,394	5,881	3,437
Other payables	66	92	2,200	-
	5,947	4,486	8,081	3,437
<b>Total liabilities</b>	<b>23,429</b>	<b>14,791</b>	<b>10,057</b>	<b>4,207</b>
<b>Net assets</b>	<b>338,429</b>	<b>20,534</b>	<b>330,345</b>	<b>17,939</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	402,747	89,769	402,747	89,769
Retained losses	(65,074)	(69,690)	(72,402)	(71,830)
Foreign currency translation reserve	386	425	-	-
	338,059	20,504	330,345	17,939
<b>Non-controlling interests</b>	370	30	-	-
<b>Total equity</b>	<b>338,429</b>	<b>20,534</b>	<b>330,345</b>	<b>17,939</b>
<b>Total equity and liabilities</b>	<b>361,858</b>	<b>35,325</b>	<b>340,402</b>	<b>22,146</b>

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**UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 31 DECEMBER 2014**
**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

	As at 31 Dec 2014		As at 31 Dec 2013	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
<i>Note 4 - Loans and borrowings</i>				
<b>Current:</b>				
Other borrowings	-	-	-	1,079
Bank borrowing	4,961	-	-	-
Commercial property loans	273	-	163	-
Amount repayable in one year or less, or on demand	5,234	-	163	1,079
<b>Non-current:</b>				
Other borrowings	-	-	-	957
Commercial property loans	5,881	-	3,437	-
Amount repayable after one year	5,881	-	3,437	957
<b>Total loans and borrowings</b>	<b>11,115</b>	<b>-</b>	<b>3,600</b>	<b>2,036</b>

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, bear interest at 3.22% below Bank's Commercial Financing Rate ("BCFR") for the 1st year, 2.92% below BCFR for the 2nd year, and 1.82% below BCFR for the 3rd year and thereafter 0.75% below BCFR. Currently, BCFR is at 4.50% 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, bear interest at 3.32% below Bank's Commercial Financing Rate ("BCFR") for the 1st year, 3.02% below BCFR for the 2nd year, and 1.85% below BCFR for the 3rd year and thereafter 0.75% below 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, bear interest at 3.40% below Bank's Commercial Variable Rate 2 ("CR2") for the 1st year, 3.08% below BCFR for the 2nd year, and 2.30% below BCFR for the 3rd year and thereafter at CR2. Currently, CR2 is at 4.68% p.a.

Other borrowings

This relates to unsecured loan from non-controlling shareholders to the Company's subsidiaries and bears fixed interest rate at 5.75% p.a. These loans will be converted as equity in the first quarter of Year 2015.

Bank borrowing

This loan is entered into by one of the subsidiary to finance its trading/ business activities and is secured by corporate guarantee by the Company and deed of debenture executed in favour of the bank, bears interest at bank's prevailing cost of fund + 1.5% 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**

	Twelve Months	
	2014 S\$'000	2013 S\$'000
<b>Profit before tax</b>	<b>5,035</b>	<b>788</b>
<u>Adjustments for :</u>		
Amortisation of intangible assets	318	238
Depreciation of property, plant and equipment	553	439
Depreciation of investment property	44	25
Finance costs	168	131
Interest income	(177)	(86)
Inventories written-down	21	4
Negative goodwill arising on acquisition of business	-	(1,086)
Net gain on disposal of subsidiary	(5)	-

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Net loss on disposal of property, plant and equipment	65	71
Share of results of associates	(4,355)	-
Total adjustments	(3,368)	(264)
<b>Operating cash flows before changes in working capital</b>	<b>1,667</b>	<b>524</b>
<u>Changes in working capital</u>		
(Increase)/ Decrease in:		
Inventories	396	(2,251)
Trade and other receivables	(3,459)	(13,248)
Prepaid operating expenses	(4,301)	101
(Decrease)/ Increase in:		
Trade and other payables	1,200	3,443
Other liabilities	(140)	96
Total changes in working capital	(6,304)	(11,859)
<b>Cash flows used in operations</b>	<b>(4,637)</b>	<b>(11,335)</b>
Interest received	177	2
Interest paid	(168)	(45)
Income taxes paid	(11)	(20)
<b>Net cash flows used in operating activities</b>	<b>(4,639)</b>	<b>(11,398)</b>
<b>Net cash outflow on acquisition of businesses and business assets less assumed liabilities</b>	<b>-</b>	<b>(559)</b>
Investment in associate	(150,834)	-
Purchase of property, plant and equipment	(4,228)	(2,363)
<b>Net cash flows used in investing activities</b>	<b>(155,062)</b>	<b>(2,922)</b>
Proceeds from issuance of shares of the Company	150,000	11,275
Proceeds from issuance of shares by subsidiaries to non-controlling shareholders	-	78
Proceeds from loans and borrowings	7,737	3,366
Share issuance expense	(290)	-
Repayment of loans and borrowings	(221)	(2,139)
<b>Net cash flows generated from financing activities</b>	<b>157,226</b>	<b>12,580</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,475)</b>	<b>(1,740)</b>
Effect of exchange rate changes on cash and cash equivalents	(38)	144
Cash and cash equivalents at 1 January	5,686	7,282
<b>Cash and cash equivalents at 31 December</b>	<b>3,173</b>	<b>5,686</b>

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**UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 31 DECEMBER 2014**

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 :**

2014 Group	Equity, total	Equity attributable to owners of the Company, total	Share capital	Retained losses	Foreign currency translation reserve	Non-controlling interests
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Opening balance at 1 January 2014</b>	<b>20,534</b>	<b>20,504</b>	<b>89,769</b>	<b>(69,690)</b>	<b>425</b>	<b>30</b>
<b>Profit/ (loss) for the period</b>	769	782	-	782	-	(13)
<u>Other comprehensive income</u>						
Foreign currency translation	(74)	(74)	-	-	(74)	-
<b>Other comprehensive income for the period, net of tax</b>	<b>(74)</b>	<b>(74)</b>	<b>-</b>	<b>-</b>	<b>(74)</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>695</b>	<b>708</b>	<b>-</b>	<b>782</b>	<b>(74)</b>	<b>(13)</b>
<b>Closing balance at 30 June 2014</b>	<b>21,229</b>	<b>21,212</b>	<b>89,769</b>	<b>(68,908)</b>	<b>351</b>	<b>17</b>
<b>Profit for the period</b>	4,187	3,834	-	3,834	-	353
<u>Other comprehensive income</u>						
Foreign currency translation	35	35	-	-	35	-
<b>Other comprehensive income for the period, net of tax</b>	<b>35</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>4,222</b>	<b>3,869</b>	<b>-</b>	<b>3,834</b>	<b>35</b>	<b>353</b>
<u>Contributions by and distributions to owners</u>						
Issuance of ordinary shares	150,000	150,000	150,000	-	-	-
Share issuance expense	(290)	(290)	(290)	-	-	-
Shares issued for acquisition of an associate	163,268	163,268	163,268	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>312,978</b>	<b>312,978</b>	<b>312,978</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>312,978</b>	<b>312,978</b>	<b>312,978</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance at 31 December 2014</b>	<b>338,429</b>	<b>338,059</b>	<b>402,747</b>	<b>(65,074)</b>	<b>386</b>	<b>370</b>

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2013 Group	Equity, total	Equity attributable to owners of the Company, total	Share capital	Retained losses	Foreign currency translation reserve	Non-controlling interests
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Opening balance at 1 January 2013</b>	<b>6,216</b>	<b>6,225</b>	<b>76,494</b>	<b>(70,486)</b>	<b>217</b>	<b>(9)</b>
<b>Profit/ (loss) for the period</b>	1,153	1,180	-	1,180	-	(27)
<u>Other comprehensive income</u>						
Foreign currency translation	204	204	-	-	204	-
<b>Other comprehensive income for the period, net of tax</b>	<b>204</b>	<b>204</b>	<b>-</b>	<b>-</b>	<b>204</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>1,357</b>	<b>1,384</b>	<b>-</b>	<b>1,180</b>	<b>204</b>	<b>(27)</b>
<u>Contributions by and distributions to owners</u>						
Issuance of ordinary shares	11,275	11,275	11,275	-	-	-
Shares issued for acquisition of a business	2,000	2,000	2,000	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>13,275</b>	<b>13,275</b>	<b>13,275</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>13,275</b>	<b>13,275</b>	<b>13,275</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance at 30 June 2013</b>	<b>20,848</b>	<b>20,884</b>	<b>89,769</b>	<b>(69,306)</b>	<b>421</b>	<b>(36)</b>
<b>Loss for the period</b>	(396)	(384)	-	(384)	-	(12)
<u>Other comprehensive income</u>						
Foreign currency translation	4	4	-	-	4	-
<b>Other comprehensive income for the period, net of tax</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>(392)</b>	<b>(380)</b>	<b>-</b>	<b>(384)</b>	<b>4</b>	<b>(12)</b>
<u>Changes in ownership interests in subsidiaries</u>						
Acquisition of non-controlling interests without a change in control	78	-	-	-	-	78
<b>Total changes in ownership interests in subsidiaries</b>	<b>78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>(314)</b>	<b>(380)</b>	<b>-</b>	<b>(384)</b>	<b>4</b>	<b>66</b>
<b>Closing balance at 31 December 2013</b>	<b>20,534</b>	<b>20,504</b>	<b>89,769</b>	<b>(69,690)</b>	<b>425</b>	<b>30</b>

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2014 Company	Equity, total S\$'000	Share capital S\$'000	Retained losses S\$'000
<b>Opening balance at 1 January 2014</b>	<b>17,939</b>	<b>89,769</b>	<b>(71,830)</b>
<b>Loss for the period, representing total comprehensive income for the period</b>	<b>(36)</b>	<b>-</b>	<b>(36)</b>
<b>Closing balance at 30 June 2014</b>	<b>17,903</b>	<b>89,769</b>	<b>(71,866)</b>
<b>Profit for the period, representing total comprehensive income for the period</b>	<b>(536)</b>	<b>-</b>	<b>(536)</b>
<u>Contributions by and distributions to owners</u>			
Issuance of ordinary shares	150,000	150,000	-
Share issuance expense	(290)	(290)	-
Shares issued for acquisition of an associate	163,268	163,268	-
<b>Total transactions with owners in their capacity as owners</b>	<b>312,978</b>	<b>312,978</b>	<b>-</b>
<b>Closing balance at 31 December 2014</b>	<b>330,345</b>	<b>402,747</b>	<b>(72,402)</b>

2013 Company	Equity, total S\$'000	Share capital S\$'000	Retained losses S\$'000
<b>Opening balance at 1 January 2013</b>	<b>6,596</b>	<b>76,494</b>	<b>(69,898)</b>
<b>Loss for the period, representing total comprehensive income for the period</b>	<b>(57)</b>	<b>-</b>	<b>(57)</b>
<u>Contributions by and distributions to owners</u>			
Issuance of ordinary shares	11,275	11,275	-
Shares issued for acquisition of a business	2,000	2,000	-
<b>Total transactions with owners in their capacity as owners</b>	<b>13,275</b>	<b>13,275</b>	<b>-</b>
<b>Closing balance at 30 June 2013</b>	<b>19,814</b>	<b>89,769</b>	<b>(69,955)</b>
<b>Loss for the period, representing total comprehensive income for the period</b>	<b>(1,875)</b>	<b>-</b>	<b>(1,875)</b>
<b>Closing balance at 31 December 2013</b>	<b>17,939</b>	<b>89,769</b>	<b>(71,830)</b>



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**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 the beginning and end of the financial period reported.

	Company			
	2014		2013	
	Number of shares '000	S\$'000	Number of shares '000	S\$'000
At 1 January (excluding treasury shares)	3,432,846	89,769	2,325,879	76,494
Pursuant to share placement	-	-	1,025,000	11,275
Shares issued for acquisition of a business	-	-	81,967	2,000
At 30 June	3,432,846	89,769	3,432,846	89,769
Pursuant to share placement	6,521,739	150,000	-	-
Share issuance expense	-	(290)	-	-
Shares issued for acquisition of an associate	7,098,585	163,268	-	-
At 31 December	17,053,170	402,747	3,432,846	89,769

**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 2013, 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 2014.

**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 2014, 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.

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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	
	2014 S\$'000	2013 S\$'000
Profit for the year attributable to owners of the Company	4,616	796
Profit net of tax, attributable to owners of the Company used in the computation of basic earnings per share	4,616	796
	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for basic earnings per share computation	8,182,976	3,031,511
<b>Earnings per share attributable to owners of the Company (cents per share)</b>		
Basic	0.06	0.03
Diluted	0.06	0.03

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	
	2014	2013	2014	2013
Net asset value per ordinary share is calculated based on 17,053,169,818 (31.12.2013: 3,432,845,979) ordinary shares in issue at the end of the period under review and of the immediate preceding financial year (S\$ cents per share)	1.98	0.60	1.94	0.52

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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 2014 ("2HY2014"), the Group's revenue increased by 13% from S\$62.484 million to S\$70.577 million. For the financial year ended 31 December 2014 ("FY 2014"), the Group recorded a turnover of S\$133.096 million, an increase of 32% as compared to the corresponding year ended 31 December 2013 ("FY 2013") at S\$101.088 million. The increase was due to the inclusion of the full twelve months' results from SingTel and the business of consumer electronics which started in April and June 2013, respectively.

Notwithstanding that the Costs of Manpower and leasing of the retail outlets continued to contribute to high operating expenses, the Group closed its FY2014 net profit at S\$4.616 million. The net profits are partly attributable to the share of results of associates of S\$4.355 million which the Group has recently invested in Indonesia, PT Trikonsel Oke Tbk., a leading distributor and retailer of mobile communication products, which has a network of retail outlets "OkeShop" and "Global Teleshop" with close to 1,000 retail stores and serves thousands of third party resellers throughout Indonesia.

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

The Group has deficit cash from operations as at 31 December 2014 primarily due to higher working capital needs.

With the inclusion of the strategic investment in Indonesia and joint ventures in Philippines and Thailand, the Group's net assets increased significantly from S\$20.534 million to S\$338.429 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.**

The Group has conducted a close performance review of different KPIs set on the Group's exclusive distributorships with different brands - i.e. in terms of volume and market share, which exercise has helped the Group to have a deeper understanding on its consumers and the market itself. The Group expects that the competitive landscape among the brands itself will be challenging, since now customers have more options, with many brands sharing similarity in terms of technological features and pricing. The large variety of product options that customers can choose from may impact inventory hiccups. On the bottom line, retail rental costs and manpower costs continue to be the key challenges, which the Group believes could be mitigated through the Group's close monitoring on its cost factors.

After the upscale in the Group's distribution network with its enlarged entity and diversification into the South East Asia market, the Group will continue to expand its distribution network and retail footprint; strategically enhance its product range and brand portfolio; pursue exclusivity of brands/ products; pursue strategic joint ventures in emerging Asian markets; introduce new business models; and pursue strategic investments and acquisitions as and when the appropriate opportunities arise.

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.

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**14. 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 6,521,739,130 new ordinary shares as per the Circular dated 15 July 2014.

Use of Proceeds	S\$'000	Percentage
Expansion of business of the distribution of mobile communication devices (including purchasing shares in a mobile communication business)	149,000	99.3%
Estimated professional fees and miscellaneous expenses	1,000	0.7%
	150,000	

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.

**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. This retail telecommunication segment is further segregated into with franchise (comprising SingTel) and standalone (comprising M1). M1 business was disposed of on 31 January 2015.
- II. 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 some of the famous brand such as Apple, Lenovo and Sony.
- III. The corporate segment is involved in Group-level corporate services, treasury functions and investment in marketable securities. It also involves in strategic investment and joint venture opportunities in emerging South East Asia markets to synergise and complement the Group's existing offerings.

FY2014	Distribution	Retail consumer electronics	Retail telecommunication		Corporate	Adjustments and eliminations	Per consolidated financial statements
			Standalone (M1)	With franchise (SingTel)			
			S\$'000	S\$'000			
<b>Revenue</b>							
External customers	65,975	29,351	1,347	36,134	289	-	133,096
Inter-segment	780	16,684	578	19,147	-	(37,189)	-
	66,755	46,035	1,925	55,281	289	(37,189)	133,096
<b>Results:</b>							
Interest income	1	1	-	-	175	-	177
Depreciation and Amortisation	(8)	(68)	(60)	(404)	(375)	-	(915)
Share of results of associates					4,355		4,355
Other non-cash expenses	(80)	(74)	(9)	(3)	63	-	(103)
Segment profit/(loss)	995	194	(555)	132	36	4,233	5,035

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FY2013	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
<b>Revenue</b>							
External customers	52,618	20,037	1,384	26,635	414		101,088
Inter-segment	586	257	2,485	17,942	-	(21,270)	-
	53,204	20,294	3,869	44,577	414	(21,270)	101,088
<b>Results:</b>							
Interest income	2	-	-	-	84	-	86
Depreciation and Amortisation	3	92	61	312	234	-	702
Other non-cash expenses	54	2	72	-	(33)		95
Segment profit/(loss)	1,408	(380)	(1,083)	1,024	(13)	(168)	788

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 2014 S\$'000	FY 2013 S\$'000	Increase/ Decrease %
<b>First Half Year:</b>			
(a) Revenue	62,519	38,604	N.M.
(b) Profit net of tax	769	1,153	(33)
(c) Profit before tax	809	1,161	(30)
<b>Second Half Year:</b>			
(a) Revenue	70,577	62,484	13
(b) Profit/ (loss) net of tax	4,187	(396)	N.M.
(c) Profit/ (loss) before tax	4,226	(373)	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.

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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.

Name	Age	Family relationship with a director or Chief Executive Officer or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Leow Kim Ying	47 (in 2015)	Brother-in-law to Ang Chuan Hui, Peter (Executive Director and Chief Executive Officer)	Business Manager of Polaris Device Pte. Ltd. ("Polaris Device"), a wholly-owned subsidiary of Polaris Ltd. Since 01/2014  Responsible for Distribution Business of Polaris Device	No change

BY ORDER OF THE BOARD

JULIANA JULIANTI SAMUDRO  
 CHIEF FINANCIAL OFFICER  
 Date: 27 FEBRUARY 2015

PETER ANG CHUAN HUI  
 CHIEF EXECUTIVE OFFICER  
 Date: 27 FEBRUARY 2015

*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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