

**POLARIS LTD.**

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


**UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**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

**Consolidated Income Statement and Statement of Comprehensive Income**

	Group					
	Three Months Ended			Nine Months Ended		
	30 Sept 2017 S\$'000	30 Sept 2016 S\$'000	Inc/(Dec) %	30 Sept 2017 S\$'000	30 Sept 2016 S\$'000	Inc/(Dec) %
<b>Revenue (Note 1)</b>	14,078	16,748	(16)	51,717	54,376	(5)
<b>Cost of Sales</b>	(12,823)	(14,636)	(12)	(47,516)	(50,321)	(6)
<b>Gross profit</b>	1,255	2,112	(41)	4,201	4,055	4
<b>Other items of income</b>						
Interest income	7	2	250	20	122	(84)
Other income (Note 2)	58	53	10	161	462	(65)
<b>Other items of expense</b>						
Marketing and distribution	(16)	(9)	78	(58)	(58)	-
Administrative expenses	(1,070)	(1,436)	(25)	(3,427)	(4,849)	(29)
Finance costs	(80)	(102)	(22)	(248)	(357)	(31)
Other expenses (Note 3)	(147)	(254)	(42)	(420)	(561)	(25)
Share of results of an associate	-	-	N.M.	-	-	N.M.
<b>(Loss)/profit before tax</b>	7	366	(98)	229	(1,186)	119
Income tax expense	-	-	N.M.	-	(9)	N.M.
<b>(Loss)/profit, net of tax</b>	7	366	(98)	229	(1,195)	119
<b>Attributable to:</b>						
Owners of the Company	9	370	(97)	238	(1,255)	119
Non-controlling interests	(2)	(4)	(50)	(9)	61	(115)
<b>(Loss)/profit for the period</b>	7	366		229	(1,194)	
<b>Other comprehensive income:</b>						
<b>Items that may be reclassified subsequently to profit or loss</b>						
Share of an associate's other comprehensive income	-	-	N.M.	-	-	N.M.
Foreign currency translation	(91)	20	N.M.	(373)	(141)	N.M.
<b>Other comprehensive income for the period, net of tax</b>	(91)	20	N.M.	(373)	(141)	N.M.
<b>Total comprehensive income for the period</b>	(84)	386	N.M.	(144)	(1,335)	N.M.
<b>Attributable to:</b>						
Owners of the Company	(82)	390		(135)	(1,396)	
Non-controlling interests	(2)	(4)		(9)	61	
<b>Total comprehensive income for the period</b>	(84)	386		(144)	(1,335)	

	Three Months Ended			Nine Months Ended		
	30 Sept 2017 S\$'000	30 Sept 2016 S\$'000	Inc/(Dec) %	30 Sept 2017 S\$'000	30 Sept 2016 S\$'000	Inc/(Dec) %
<b>Note 1 - Revenue</b>						
Distribution sale of mobile handsets & accessories	1,737	5,367	(68)	11,343	14,540	(22)
Retail sale of mobile handsets & other apparatus	9,032	8,837	2	30,349	28,568	6
Retail sale of computer hardware & accessories and computer software	3,309	2,544	30	10,025	11,252	(11)
Other revenue	-	-	N.M.	-	16	N.M.
	14,078	16,748	-58	51,717	54,376	-53

	Three Months Ended			Nine Months Ended		
	30 Sept 2017 S\$'000	30 Sept 2016 S\$'000	Inc/(Dec) %	30 Sept 2017 S\$'000	30 Sept 2016 S\$'000	Inc/(Dec) %
<b>Note 2 - Other income</b>						
Gain on divestment of investment securities	-	-	N.M.	-	108	N.M.
Rental income	9	22	(59)	27	86	(69)
Other miscellaneous income*	49	31	59	134	268	(50)
	58	53	10	161	462	(65)

\* Other miscellaneous income comprises of Productivity Innovation Credit bonus pay-out, Wage Credit Scheme pay-out and Core Executive Programme pay-out by the Inland Revenue Authority of Singapore.

	Three Months Ended			Nine Months Ended		
	30 Sept 2017 S\$'000	30 Sept 2016 S\$'000	Inc/(Dec) %	30 Sept 2017 S\$'000	30 Sept 2016 S\$'000	Inc/(Dec) %
<b>Note 3 - Other expenses</b>						
Amortisation of intangible assets	(45)	(45)	-	(135)	(169)	(20)
Depreciation of property, plant and equipment	(141)	(163)	(13)	(379)	(507)	(25)
Depreciation of investment property	(22)	(21)	3	(68)	(66)	3
Net (loss)/gain on disposal of property, plant and equipment	(1)	-	N.M.	(5)	8	(163)
Net foreign exchange gain/(loss)	62	(25)	(348)	167	206	(19)
Inventories written-down	-	-	N.M.	-	(33)	(100)
	(147)	(254)	(42)	(420)	(561)	(25)

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

**Consolidated Balance Sheets**

	Group		Company	
	30 Sept 2017 S\$'000	31 Dec 2016 S\$'000	30 Sept 2017 S\$'000	31 Dec 2016 S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5,430	5,510	5,159	5,460
Investment properties	2,345	2,411	2,345	2,411
Intangible assets	270	404	-	-
Investment in subsidiaries	-	-	7,436	6,039
Investment in associates	482	482	-	-
Other receivables	873	346	2,034	2,322
	9,400	9,153	16,974	16,232
<b>Current assets</b>				
Trade and other receivables **	9,340	9,505	267	269
Inventories	1,991	1,448	-	-
Assets held-for-sale	-	-	-	-
Prepaid operating expenses	61	69	36	23
Cash and cash equivalents	6,430	6,737	531	287
	17,822	17,759	834	579
<b>Total assets</b>	<b>27,222</b>	<b>26,912</b>	<b>17,808</b>	<b>16,811</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Loans and borrowings (Note 4)	274	272	274	272
Trade and other payables	7,526	6,813	283	290
Deferred revenue	62	13	-	-
Other liabilities	303	419	163	266
Income tax payable	-	-	-	-
	8,165	7,517	720	828
<b>Net current assets/ (liabilities)</b>	<b>9,657</b>	<b>10,242</b>	<b>114</b>	<b>(249)</b>
<b>Non-current liabilities</b>				
Loans and borrowings (Note 4)	5,170	5,366	5,169	5,366
Other payables	-	-	1,134	-
	5,170	5,366	6,303	5,366
<b>Total liabilities</b>	<b>13,335</b>	<b>12,883</b>	<b>7,023</b>	<b>6,194</b>
<b>Net assets</b>	<b>13,887</b>	<b>14,029</b>	<b>10,785</b>	<b>10,617</b>
<b>Equity attributable to members</b>				
Share capital	402,747	402,747	402,747	402,747
Retained losses	(389,927)	(390,167)	(391,962)	(392,130)
Foreign currency translation reserve	567	940	-	-
	13,387	13,520	10,785	10,617
<b>Non-controlling interests</b>	500	509	-	-
<b>Total equity</b>	<b>13,887</b>	<b>14,029</b>	<b>10,785</b>	<b>10,617</b>
<b>Total equity and liabilities</b>	<b>27,222</b>	<b>26,912</b>	<b>17,808</b>	<b>16,811</b>

\*\* Including receivables assigned to an associate company

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

	As at 30 Sept 2017		As at 31 Dec 2016	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
<i>Note 4 - Loans and borrowings</i>				
<b>Current:</b>				
Commercial property loans	206	-	187	-
Investment property loans	68	-	85	-
Amount repayable in one year or less, or on demand	274	-	272	-
<b>Non-current:</b>				
Commercial property loans	3,483	-	3,613	-
Investment property loans	1,687	-	1,753	-
Amount repayable after one year	5,170	-	5,366	-
	<b>5,444</b>	<b>-</b>	<b>5,638</b>	<b>-</b>

First commercial property loan

This loan is secured by a first mortgage over the Group's commercial property and is repayable in 240 instalments, bear 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 5.75% p.a.

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% over BCFR. Currently, BCFR is at 5.75% p.a.

First Investment properties loan

These loans are secured by a first mortgage over the Group's investment properties and is repayable in 240 instalments, bear interest at 3.73% 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 2.43% over BCFR. Currently, BCFR is at 5.75% p.a.

Second 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 CR2 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.

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 Ended		Nine Months Ended	
	30 Sept 2017 S\$'000	30 Sept 2016 S\$'000	30 Sept 2017 S\$'000	30 Sept 2016 S\$'000
<b>OPERATING ACTIVITIES</b>				
(Loss)/profit before tax	7	366	229	(1,186)
Adjustments for:				
Amortisation of intangible assets	45	45	135	169
Depreciation of property, plant and equipment	141	163	379	507
Depreciation of investment properties	23	21	68	66
Finance costs	80	65	248	194
Interest income	(7)	(2)	(20)	(122)
Inventories written-down	-	-	-	33
Gain on divestment of investment securities	-	-	-	(108)
Net (loss)/gain on disposal of property, plant and equipment	1	-	5	(8)
Share of result of associate	-	-	-	-
Total adjustments	283	292	815	731
<b>Operating cash flows before changes in working capital</b>	<b>290</b>	<b>658</b>	<b>1,044</b>	<b>(455)</b>
Changes in working capital				
(Increase)/ Decrease in:				
Inventories	(244)	(191)	(545)	1,758
Trade and other receivables	1,290	375	(361)	3,660
Prepaid operating expenses	(3)	(475)	7	(739)
(Decrease)/ Increase in:				
Trade and other payables	(688)	2,553	713	599
Other liabilities	(47)	67	(66)	(14)
Total changes in working capital	308	2,329	(252)	5,264
<b>Cash flows from operations</b>	<b>598</b>	<b>2,987</b>	<b>792</b>	<b>4,809</b>
Interest received	7	2	20	122
Interest paid	(80)	(65)	(248)	(194)
Income taxes paid	-	-	-	(125)
<b>Net cash flows from operating activities</b>	<b>525</b>	<b>2,924</b>	<b>564</b>	<b>4,612</b>
<b>INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(284)	(20)	(304)	(47)
Proceed of disposal of property, plant and equipment	(1)	-	-	708
Proceeds from divestment of investment securities	-	-	-	-
<b>Net cash flows used in investing activities</b>	<b>(285)</b>	<b>(20)</b>	<b>(304)</b>	<b>661</b>
<b>FINANCING ACTIVITIES</b>				
Proceeds from loans and borrowings	-	-	-	-
Repayment of loans and borrowings	(64)	(1,359)	(194)	(3,024)
<b>Net cash flows used in financing activities</b>	<b>(64)</b>	<b>(1,359)</b>	<b>(194)</b>	<b>(3,024)</b>
<b>Net increase in cash and cash equivalents</b>	<b>176</b>	<b>1,545</b>	<b>66</b>	<b>2,249</b>
Effect of exchange rate changes on cash and cash equivalents	(93)	215	(373)	(141)
Cash and cash equivalents at 1 July/1 January	6,347	3,085	6,737	2,737
<b>Cash and cash equivalents at 30 September</b>	<b>6,430</b>	<b>4,845</b>	<b>6,430</b>	<b>4,845</b>

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

Statements of Change in Equity :

2017 Group	Equity, total S\$'000	Share capital S\$'000	Retained losses S\$'000	Other Reserve S\$'000	Foreign currency translation reserve S\$'000	Non-controlling interests S\$'000
Opening balance at 1 January 2017	14,029	402,747	(390,167)	-	940	509
Profit for the period	224	-	230	-	-	(6)
Other comprehensive income						
Foreign currency translation	(282)	-	-	-	(282)	-
Other comprehensive income for the period, net of tax	(282)	-	-	-	(282)	-
Total comprehensive income for the period	(58)	-	230	-	(282)	(6)
Closing balance at 30 June 2017	13,971	402,747	(389,937)	-	658	503
Loss for the period	7		10			(3)
Other comprehensive income						
Foreign currency translation	(91)				(91)	
Other comprehensive income for the period, net of tax	(91)	-	-	-	(91)	-
Total comprehensive income for the period	(84)	-	10	-	(91)	(3)
Closing balance at 30 September 2017	13,887	402,747	(389,927)	-	567	500

2016 Group	Equity, total S\$'000	Share capital S\$'000	Retained losses S\$'000	Other Reserve S\$'000	Foreign currency translation reserve S\$'000	Non-controlling interests S\$'000
Opening balance at 1 January 2016	12,818	402,747	(391,227)	-	792	506
Loss for the period	(1,562)	-	(1,625)	-	-	63
Other comprehensive income						
Foreign currency translation	(161)	-	-	-	(160)	(1)
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 for the period	366	-	370	-	-	(4)
Other comprehensive income						
Foreign currency translation	20	-	-	-	20	-
Other comprehensive income for the period, net of tax	20	-	-	-	20	-
Total comprehensive income for the period	386	-	370	-	20	(4)
Closing balance at 30 September 2016	11,481	402,747	(392,482)	-	652	564

2017 Company	Equity, total S\$'000	Share capital S\$'000	Retained losses S\$'000
Opening balance at 1 January 2017	10,617	402,747	(392,130)
Profit for the period, representing total comprehensive income for the period	73	-	73
Closing balance at 30 June 2017	10,690	402,747	(392,057)
Profit for the period, representing total comprehensive income for the period	95	-	95
Closing balance at 30 September 2017	10,785	402,747	(391,962)

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)
Profit for the period, representing total comprehensive income for the period	29	-	29
Closing balance at 30 September 2016	15,239	402,747	(387,508)

- 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 had no convertibles or treasury shares as at 30 September 2017 and at 30 September 2016

	Company			
	30 Sept 2017		30 Jun 2017	
	Number of shares '000	S\$'000	Number of shares '000	S\$'000
At 1 July	17,053,170	402,747	17,053,170	402,747
Pursuant to share placement	-	-	-	-
At the end of the period	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.

The Company held no treasury shares as at 30 September 2017 and 31 December 2016

	Company			
	30 Sept 2017		31 Dec 2016	
	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 the end of the period	17,053,170	402,747	17,053,170	402,747

- 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 2016, 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 2017.

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 2017, 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		Nine Months Ended	
	30 Sept 2017 S\$'000	30 Sept 2016 S\$'000	30 Sept 2017 S\$'000	30 Sept 2016 S\$'000
Profit/(loss) for the period attributable to owners of the Company used in the computation of basic earnings per share	9	370	238	(1,255)
	No. of shares '000	No. of shares '000	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for basic earnings per share computation	17,053,170	17,053,170	17,053,170	17,053,170
<b>(Loss)/earnings per share attributable to owners of the Company (cents per share)</b>				
Basic	0.0001	0.002	0.001	(0.007)
Diluted	0.0001	0.002	0.001	(0.007)

The basic earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

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 period.

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

	Group		Company	
	30 Sept 2017	31 Dec 2016	30 Sept 2017	31 Dec 2016
Net asset value per ordinary share is calculated based on 17,053,169,818 (31.12.2016: 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	0.06

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 third quarter of the year 2017 ("3QFY2017"), the Group's revenue decreased by 16% from S\$16.75 million in the third quarter of the year 2016 ("3QFY2016") to approximately S\$14.08 million. The decrease was mainly due to lower revenue from the Group's mobile handset & accessories distribution business for 3QFY2017 which decreased by 68% from approximately S\$5.37 million to approximately S\$1.74 million as compared to the same period under review in 2016. The cost of sales of the Group also decreased by 12% from S\$14.64 million in 3QFY2016 to S\$12.82 million in 3QFY2017 due to lower cost of sales from the Group's mobile handset & accessories distribution business for 3QFY2017 which decreased by 63% from approximately S\$4.32 million in 3QFY2016 to approximately S\$1.61 million for 3QFY2017.

For 3QFY2017, the Group's gross profit also decreased by 41% to S\$1.26 million from S\$2.11 million for 3QFY2016. The decrease was mainly attributable to an incentive received from a brand principal only in 3QFY2016 in relation to price protection which was not received in 3QFY2017. The decrease has resulted in a lower gross profit margin in 3QFY2017 of 8.9% compared to 3QFY2016 of 12.61%.

The interest income and other income of the Group for 3QFY2017 increased by 250% and 10% from 3QFY2016, from S\$0.002 million and S\$0.05 million in 3QFY2016 to S\$0.007 million and S\$0.06 million in 3QFY2017 respectively. The increase in interest income was mostly due to interest generated from time deposit in 3QFY2017 and in increase in other income in 3QFY2017 was mostly due to government grants.

For 3QFY2017, the Group's administrative expenses decreased by 25% from S\$1.43 million to S\$1.07 million. This decrease was mainly due to lower staff & personal cost and rental expense due to closure of Sony and Lenovo retail outlets in 2016. The Group's marketing and distribution expenses increased by 77.78% from S\$0.009 million in 3QFY2016 to S\$0.016 million at 3QFY2017 which was mostly due to an increase in travelling expenses and advertising expenses.

The other expenses of the Group decreased by 42% to S\$0.15 million for 3QFY2017 as compared to S\$0.25 million for 3QFY2016. This was due to a 140% decrease in foreign exchange loss from S\$0.02 million to foreign exchange gain of S\$0.06 million in 3QFY2017 and a 13.5% decrease in depreciation of property, plant and equipment from S\$0.16 million in 3QFY2016 to S\$0.14 million in 3QFY2017 due to the closure of Lenovo and Sony retail outlets last year. The Group's finance cost also decreased by 22% from S\$0.1 million in 3QFY2016 to S\$0.08 million in 3QFY2017 which was mostly due to a decrease of loan and borrowing balance.

The Group posted net profit of S\$0.006 million for 3QFY2017 decreased by 98% compared to S\$0.37 million for 3QFY2016 which was mainly due to the decrease in the Group's gross profit in 3QFY2017 from the Group's gross profit in 3QFY2016, as stated above. The decreases in gross profit of the Group also resulted in decrease of operating profit of the Group by 98% from S\$0.37 million in 3QFY2016 to S\$0.006 million in 3QFY2017.

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

The Group recorded a 2.77% increase in cash and cash equivalents of S\$ 0.18 million for 3QFY2017 as compared to S\$1.55 million in 3QFY2016, which was primarily attributable to higher cash flow generated from operating activities which mostly came from the decrease in trade and other receivables by 11.2% from S\$11.50 million in 3QFY2016 to S\$10.21 million in 3QFY2017.

The Group's total assets increased by 1.15% from S\$26.91 million as at 31 December 2016 to S\$27.22 million as at 30 September 2017 mostly due to an increase in inventories from S\$1.45 million to S\$1.99 million as well as an increase of other receivables from S\$0.35 million to S\$0.87 million in 3QFY2017. These increases were mostly caused by purchase of inventories and additional loan to franchisee respectively. Also, the intangible assets of the Group decreased by 33.17% from S\$0.4 million at 31 December 2016 to S\$0.27 million at 30 September 2017, such decrease being due to the amortization of related intangible assets. The prepaid expenses of the Group also decreased by 11.59% from S\$0.069 million in 3QFY2016 to S\$0.061 million in 3QFY2017 due to lower prepaid insurance premium.

The Group's trade and other payables increased by 10.47% from S\$6.81 million as at 31 December 2016 to S\$7.53 million as at 30 September 2017. This increase was mainly due to an increase in purchase of goods by the Group.

The Group's current liabilities increased by 8.62% from S\$7.52 million as at 31 December 2016 to S\$8.17 million as at 30 September 2017 which was mostly due to caused by the 10.47% increase in trade and other payables and 376.92% increase in deferred revenue from S\$6.81 million to S\$7.53 million and from S\$0.01 million to S\$0.06 million respectively due to an increase in purchase of goods and additional retail branding support from a brand principal of the Group in 3QFY2017. The Group's other liabilities decreased by 27.68% from S\$0.42 million at 31 December 2016 to S\$0.3 million at 30 September 2017 due to lower accrued expenses booked in 3QFY2017 compared to 31 December 2016.

The Group's net assets slightly decreased by 1% from S\$14.03 million as at 31 December 2016 to S\$13.89 million as at 30 September 2017. The decrease was mainly due to the 39.68% decrease in the Group's foreign currency translation reserve from S\$0.94 million at 31 December 2016 to S\$0.57 million at 30 September 2017.

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.**

There remains tight competition in the Telco market of Singapore. All 3 existing mobile operators have been slashing prices in the past few months, and these price cutting measures could worsen with the fourth operator starting its business operations in Singapore and thus increasing competition in the Telco market in Singapore.

One of the Group's principals has introduced new incentive schemes focusing more on new customer acquisition and the ability to do cross selling, and the 100% attainable rate for such schemes is a challenge for the Group to achieve. This may have an impact on the profitability of the Group in the next 12 months to come.

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 use of proceeds raised from IPO and any offerings for the period under review.

15. **Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)**

The Board of Directors hereby confirm that to the best of our knowledge, nothing material has come to the attention of the Board which may render the interim financial results set out above to be false or misleading in any material aspect.

16. **Confirmation that the issuer has produced 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  
DIRECTOR/ CHIEF FINANCIAL OFFICER  
Date: 14 November 2017

ANG CHUAN HUI, PETER  
DIRECTOR/ CHIEF EXECUTIVE OFFICER  
Date: 14 November 2017

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services*

*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*

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