

**POLARIS LTD.**

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



**UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

**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 and Statement of Comprehensive Income**

	Group		
	Three Months Ended		
	31 Mar 2019	31 Mar 2018	Inc/(Dec)
	(Restated)*		
	S\$'000	S\$'000	%
<b>CONTINUING OPERATIONS</b>			
Revenue (Note 1)	9,214	3,282	181
Cost of Sales	(8,523)	(2,905)	193
<b>Gross profit</b>	691	377	83
<b>Other items of income</b>			
Interest income	22	-	N.M.
Other income (Note 2)	51	34	50
<b>Other items of expense</b>			
Marketing and distribution	(3)	(20)	(85)
Administrative expenses	(723)	(765)	(5)
Finance costs	(62)	(47)	32
Other expenses (Note 3)	(92)	(140)	(34)
Share of results of associate	40	64	(38)
<b>Profit/(Loss) before income tax</b>	(76)	(497)	(85)
Income tax	-	-	N.M.
Loss from continuing operations, net of tax	(76)	(497)	(85)
<b>DISCONTINUED OPERATION</b>			
Profit from discontinued operation	-	315	N.M.
<b>Profit/(Loss) for the period</b>	(76)	(182)	(58)
<b>Attributable to:</b>			
Equity holders of the Company			
Loss from continuing operations, net of tax	(77)	(492)	(84)
Profit from discontinued operations, net of tax	-	315	N.M.
<b>Profit/(Loss) for the period attributable to equity holders of the Company</b>	(77)	(177)	(56)
<b>Non-controlling interests</b>			
Profit/(loss) from continuing operations, net of tax	1	(5)	N.M.
<b>Profit/(Loss) for the period</b>	(76)	(182)	(58)
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Net gain on the fair value changes of equity instruments at fair value through other comprehensive income	(5,509)	-	N.M.
Exchange differences on translation	(6)	(40)	(85)
<b>Other comprehensive income for the period, net of tax</b>	(5,515)	(40)	13,688
<b>Total comprehensive income for the period</b>	(5,591)	(222)	2,418
<b>Attributable to:</b>			
Equity holders of the Company	(5,592)	(217)	2,477
Non-controlling interests	1	(5)	N.M.
<b>Total comprehensive income for the period</b>	(5,591)	(222)	2,418

Note 1 – Revenue	Three Months Ended		
	31 Mar 2019	31 Mar 2018 (Restated)*	Inc/(Dec)
	S\$'000	S\$'000	%
Distribution sale of mobile handsets & accessories	74	489	(85)
Retail sale of computer hardware & accessories and computer software	6,778	2,793	143
Trading sale of lifestyle products	2,362	-	N.M.
	9,214	3,282	181

Note 2 - Other income	Three Months Ended		
	31 Mar 2019	31 Mar 2018 (Restated)*	Inc/(Dec)
	S\$'000	S\$'000	%
Rental income	30	23	30
Other miscellaneous income*	21	11	91
	51	34	50

\* Other miscellaneous income comprises mainly of government grants.

Note 3 - Other expenses	Three Months Ended		
	31 Mar 2019	31 Mar 2018 (Restated)*	Inc/(Dec)
	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	(81)	(98)	(17)
Depreciation of investment property	-	(23)	N.M.
Net gain/(loss) on disposal of property, plant and equipment	-	4	N.M.
Inventories written-down	(1)	-	N.M.
Net foreign exchange gain/(loss)	(10)	(23)	(57)
	(92)	(140)	(34)

N.M. denotes Not Meaningful

\* In FY2018, the Company disposed of its wholly-owned subsidiary, Polaris Telecom Pte Ltd. The comparatives for the period ended 31 March 2018 have been re-presented accordingly as discontinued operation.

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 Sheet

	Group		Company	
	31 Mar 2019 S\$'000	31 Dec 2018 S\$'000	31 Mar 2019 S\$'000	31 Dec 2018 S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4,154	4,192	4,114	4,147
Investment in subsidiaries	-	-	3,761	3,761
Investment in associates	1,222	1,182	-	-
Other financial assets	40,675	46,184	40,675	46,184
Other receivables	-	-	3,407	-
	46,051	51,558	51,957	54,092
<b>Current assets</b>				
Trade and other receivables	4,537	2,530	33	22
Inventories	800	748	-	-
Assets held-for-sale	2,826	2,826	2,826	2,826
Prepaid operating expenses	86	58	63	27
Cash and cash equivalents	5,770	8,445	4,622	6,592
	14,019	14,607	7,544	9,467
<b>Total assets</b>	<b>60,070</b>	<b>66,165</b>	<b>59,501</b>	<b>63,559</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Loans and borrowings (Note 4)	231	231	231	231
Trade and other payables	753	729	3,154	1,400
Other liabilities	345	342	186	169
Provision for income tax	-	50	-	50
	1,329	1,352	3,571	1,850
<b>Net current assets/ (liabilities)</b>	<b>12,690</b>	<b>13,255</b>	<b>3,973</b>	<b>7,617</b>
<b>Non-current liabilities</b>				
Loans and borrowings (Note 4)	3,815	4,296	3,815	4,296
	3,815	4,296	3,815	4,296
<b>Total liabilities</b>	<b>5,144</b>	<b>5,648</b>	<b>7,386</b>	<b>6,146</b>
<b>Net assets</b>	<b>54,926</b>	<b>60,517</b>	<b>52,115</b>	<b>57,413</b>
<b>Equity attributable to members</b>				
Share capital	402,747	402,747	402,747	402,747
Reserves	40,675	46,184	40,675	46,184
Foreign currency translation reserve	(580)	(574)	-	-
Accumulated losses	(388,227)	(388,150)	(391,307)	(391,518)
	54,615	60,207	52,115	57,413
<b>Non-controlling interests</b>	311	310	-	-
<b>Total equity</b>	<b>54,926</b>	<b>60,517</b>	<b>52,115</b>	<b>57,413</b>
<b>Total equity and liabilities</b>	<b>60,070</b>	<b>66,165</b>	<b>59,501</b>	<b>63,559</b>

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

	As at 31 Mar 2019		As at 31 Dec 2018	
	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	171	-	171	-
Investment property loans	60	-	60	-
Amount repayable in one year or less, or on demand	231	-	231	-
<b>Non-current:</b>				
Commercial property loans	2,798	-	3,263	-
Investment property loans	1,017	-	1,033	-
Amount repayable after one year	3,815	-	4,296	-
	<b>4,046</b>	<b>-</b>	<b>4,527</b>	<b>-</b>

First commercial properties loan

This loan is secured by a first mortgage over the Group's commercial properties and is repayable in 240 instalments, bear interest at 4.17% below Bank's Commercial Financing Rate ("BCFR") for the 1st year, 3.77% below BCFR for the 2nd year, and 3.47% below BCFR for the 3rd year and thereafter at BCFR. Currently, BCFR is at 6.25% p.a.

Second commercial properties loan

This loan is secured by a first mortgage over the Group's commercial properties and are repayable in 240 instalments. Current interest rate is 2.78142% which is at the prevailing 3 month SIBOR plus 0.88% p.a.

First Investment properties loan

This loan is secured by a first mortgage over the Group's investment properties and is repayable in 240 instalments, bear interest at 3.22% below Bank's Commercial Financing Rate ("BCFR") for the 1st year, 3.22% below BCFR for the 2nd year, and 2.95% below BCFR for the 3rd year and thereafter at BCFR. Currently, BCFR is at 6.25% 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	
	31 Mar 2019	31 Mar 2018 (Restated)*
	S\$'000	S\$'000
<b>OPERATING ACTIVITIES</b>		
Loss before tax from continuing operations	(76)	(497)
Profit before tax from discontinued operation	-	315
<b>(Loss)/Profit before income tax</b>	<b>(76)</b>	<b>(182)</b>
<u>Adjustments for:</u>		
Amortisation of intangible assets	-	45
Depreciation of property, plant and equipment	81	136
Depreciation of investment properties	-	23
Finance costs	62	68
Interest income	(22)	(3)
Inventories written-down	1	-
Net (gain)/loss on disposal of property, plant and equipment	-	(4)
Unrealised exchange differences	-	1
Share of result of an associate	(40)	(64)
Total adjustments	82	202
<b>Operating cash flows before changes in working capital</b>	<b>6</b>	<b>20</b>
<u>Changes in working capital</u>		
(Increase)/ Decrease in:		
Inventories	(53)	30
Trade and other receivables	(2,007)	4,155
Prepaid operating expenses	(28)	(55)
(Decrease)/ Increase in:		
Trade and other payables	24	(2,280)
Other liabilities	3	(173)
Total changes in working capital	(2,061)	1,677
<b>Cash flows generated from/(used in) operations</b>	<b>(2,055)</b>	<b>1,697</b>
Interest received	22	3
Interest paid	(62)	(68)
Income taxes paid	(50)	-
<b>Net cash flows generated from/(used in) operating activities</b>	<b>(2,145)</b>	<b>1,632</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(43)	(17)
Proceed from disposal of property, plant and equipment	-	4
<b>Net cash flows used in investing activities</b>	<b>(43)</b>	<b>(13)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of loans and borrowings	(481)	(63)
<b>Net cash flows used in financing activities</b>	<b>(481)</b>	<b>(63)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2,669)</b>	<b>1,556</b>
Effect of exchange rate changes on cash and cash equivalents	(6)	(41)
Cash and cash equivalents at beginning of period	8,445	5,085
<b>Cash and cash equivalents at end of period</b>	<b>5,770</b>	<b>6,600</b>

\* In FY2018, the Company disposed of its wholly-owned subsidiary, Polaris Telecom Pte Ltd. The comparatives for the period ended 31 March 2018 have been re-presented accordingly as discontinued operation.

- 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 :

2019 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
<b>Opening balance at 1 January 2019</b>	<b>60,517</b>	<b>402,747</b>	<b>(388,150)</b>	<b>46,184</b>	<b>(574)</b>	<b>310</b>
<b>Profit for the period</b>	(76)	-	(77)	-	-	1
<u>Other comprehensive income</u>						
Fair value adjustment	(5,509)	-	-	(5,509)	-	-
Foreign currency translation	(6)	-	-	-	(6)	-
<b>Other comprehensive income for the period, net of tax</b>	<b>(5,515)</b>	<b>-</b>	<b>-</b>	<b>(5,509)</b>	<b>(6)</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>(5,591)</b>	<b>-</b>	<b>(77)</b>	<b>(5,509)</b>	<b>(6)</b>	<b>1</b>
<b>Closing balance at 31 March 2019</b>	<b>54,926</b>	<b>402,747</b>	<b>(388,227)</b>	<b>40,675</b>	<b>(580)</b>	<b>311</b>

2018 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
<b>Opening balance at 1 January 2018</b>	<b>14,406</b>	<b>402,747</b>	<b>(388,377)</b>	<b>-</b>	<b>(611)</b>	<b>647</b>
<b>Loss for the period</b>	(182)	-	(177)	-	-	(5)
<u>Other comprehensive income</u>						
Fair value adjustment	-	-	-	-	-	-
Foreign currency translation	(40)	-	-	-	(40)	-
<b>Other comprehensive income for the period, net of tax</b>	<b>(40)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(40)</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>(222)</b>	<b>-</b>	<b>(177)</b>	<b>-</b>	<b>(40)</b>	<b>(5)</b>
<b>Closing balance at 31 March 2018</b>	<b>14,184</b>	<b>402,747</b>	<b>(388,554)</b>	<b>-</b>	<b>(651)</b>	<b>642</b>

2019 Company	Equity, total S\$'000	Share capital S\$'000	Retained losses S\$'000	Other reserve S\$'000
<b>Opening balance at 1 January 2019</b>	<b>57,413</b>	<b>402,747</b>	<b>(391,518)</b>	<b>46,184</b>
<b>Profit for the period</b>	211	-	211	-
<u>Other comprehensive income</u>				
Fair value adjustment	(5,509)	-	-	(5,509)
<b>Other comprehensive income for the period, net of tax</b>	<b>(5,509)</b>	<b>-</b>	<b>-</b>	<b>(5,509)</b>
<b>Total comprehensive income for the period</b>	<b>(5,298)</b>	<b>-</b>	<b>211</b>	<b>(5,509)</b>
<b>Closing balance at 31 March 2019</b>	<b>52,115</b>	<b>402,747</b>	<b>(391,307)</b>	<b>40,675</b>

2018 Company	Equity, total S\$'000	Share capital S\$'000	Retained losses S\$'000	Other reserve S\$'000
<b>Opening balance at 1 January 2018</b>	<b>10,617</b>	<b>402,747</b>	<b>(392,130)</b>	<b>-</b>
<b>Profit for the period</b>	166	-	166	-
<u>Other comprehensive income</u>				
Fair value adjustment	-	-	-	-
<b>Other comprehensive income for the period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>166</b>	<b>-</b>	<b>166</b>	<b>-</b>
<b>Closing balance at 31 March 2018</b>	<b>10,783</b>	<b>402,747</b>	<b>(391,964)</b>	<b>-</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of outstanding in a class that is listed 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 :**

There were no changes in the Company's share capital for the financial period ended 31 March 2019. There were no outstanding convertibles or treasury shares and subsidiary holdings as at 31 March 2019 and 31 March 2018.

	Number of issued shares ('000)	Issued and paid-up share capital (S\$'000)
Balance as at 31 December 2018 (excluding treasury shares and subsidiary holdings)	17,053,170	402,747
Balance as at 31 March 2019 (excluding treasury shares and subsidiary holdings)	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.

	As at 31 March 2019 ( '000)	As at 31 December 2018 ( '000)
Total number of issued shares (excluding treasury shares and subsidiary holdings)	17,053,170	17,053,170

- 1(d) (iv) A statement showing all sales, transfers, 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.

- 1(d) (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable, as there are no subsidiary holdings 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 the audited financial statements for the year ended 31 December 2018.

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.

Please refer to paragraph 4 above.

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	
	31 Mar 2019	31 Mar 2018 (Restated)*
	S\$'000	S\$'000
Continuing operations: Profit/(loss) for the period attributable to owners of the Company used in the computation of basic earnings per share	(77)	(177)
	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
<b>(Loss)/Earnings per share attributable to owners of the Company (cents per share)</b>		
Basic	(0.0005)	(0.0010)
Diluted	(0.0005)	(0.0010)

\* In FY2018, the Company disposed of its wholly-owned subsidiary, Polaris Telecom Pte Ltd. The comparatives for the period ended 31 March 2018 have been re-presented accordingly as discontinued operation.

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 at the end of the:**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	Group		Company	
	31 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018
Net asset value per ordinary share is calculated based on 17,053,169,818 (31 Dec 18: 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)	0.32	0.35	0.31	0.34

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 first quarter of the financial year ending 2019 ("1QFY2019"), the Group recorded a turnover of S\$9.21 million, representing an increase of 181% over the turnover of the first quarter of the financial year ended 2018 ("1QFY2018") of S\$3.28 million. This increase was mainly due to higher turnover from the Group's retail sale of computer electronics and related product business and trading sales of lifestyle products. This increase was offset by a 85% decline in distribution sale of mobile handset and accessories from S\$0.49 million in 1QFY2018 to S\$0.07 million in 1QFY2019, mainly due to lower demand.

The Group's cost of sales increased by 193% from S\$2.91 million in 1QFY2018 to S\$8.52 million in 1QFY2019, such increase being in line with the increase in the Group's turnover from 1QFY2018 to 1QFY2019.

Due to the higher turnover of the Group in 1QFY2019 as described above, the Group's gross profit increased 83% from S\$0.38 million in 1QFY2018 to S\$0.69 million in 1QFY2019.

The Group's interest income of S\$0.02 million in 1QFY2019 was mainly from placement of fixed deposit. Other income increased by 50% from S\$0.03 million in 1QFY2018 to S\$0.05 million in 1QFY2019, and this was mainly due to higher government grant received and was offset by lower rental income.

Finance cost increased by 32% from S\$0.05 million in 1QFY2018 to S\$0.06 million in 1QFY2019 owing to higher interest rate on the property loan.

Other expenses decreased by 34% from S\$0.14 million in 1QFY2018 to S\$0.09 million in 1QFY2019. This decrease was due to lower depreciation of property, plant and equipment and investment property and a lower foreign exchange loss. The decrease in depreciation of property, plant and equipment by 17% from S\$0.1 million in 1QFY2018 to S\$0.08 million in 1QFY2019 and no depreciation was provided for investment property was due to one of the commercial properties and all investment properties were reclassified as assets held-for-sale. The Group's foreign exchange loss decreased by 57% from S\$0.02 million in 1QFY2018 to S\$0.01 million in 1QFY2019 due to a lower loss in foreign exchange.

The Group posted a net loss of S\$0.08 million for 1QFY2019. The net loss was attributable to lower turnover from the Group's distribution segment and a lower gross profit margin from its retail business segment.



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

Property, plant and equipment decreased to S\$4.15 million as at 31 March 2019 as compared to S\$4.19 million as at 31 December 2018 owing to depreciation.

Investment in associates increased to S\$1.22 million as at 31 March 2019 as compared to S\$1.18 million as at 31 December 2018 owing to share of profit from associate.

Other financial assets represent the Group's remaining 8.22% investment in PT Trikonsel Oke Tbk ("TRIO"). The fair value of S\$40.68 million was determined from a financial institution valuation of its market value as at 31 March 2019.

Trade and other receivables increased to S\$4.54 million as at 31 March 2019 as compared to S\$2.53 million as at 31 December 2018 in line with higher sales.

Inventories increased to S\$0.8 million as at 31 March 2019 as compared to S\$0.75 million as at 31 December 2018 owing to higher sales from the Group's retail sales in view of the new devices and accessories launched in the first quarter of 2019.

The assets held-for-sale comprised of the net carrying amounts of the Group's all investment properties and one of the commercial properties which the Group have committed to sell.

Trade and other payables increased to S\$0.75 million as at 31 March 2019 as compared to S\$0.73 million as at 31 December 2018 owing mainly to increase in credit purchases.

Loans and borrowings decreased to S\$4.05 million as at 31 March 2019 as compared to S\$4.53 million as at 31 December 2018 owing to repayment of property loans and early redemption of one of the Group's commercial properties in 1QFY2019.

The Group's net cash used in operating activities of S\$2.06 million in 1QFY2019 as compared to net cash generated of S\$1.68 million in 1QFY2018 was mainly due to an increase in sales.

The increase in the Group's net cash flow used in investing activities was due to renovation and other work completed at the customer service centre.

The increase in the Group's net cash used in financing activities was due to repayment of property loans and early redemption of one of the commercial properties.

**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.**

Competition among the brands is increasingly intense. Market saturation, upward selling prices and lengthening of replacement cycles continue to slow down the growth of overall market. The declining demand of the mobile devices due to the slow down is considered to be the key challenge of growth of the Group and to retain its ability to achieve the sustainable profitability for its handset distribution and retail business in the coming quarters. Its handset distribution and retail business are expected to slow down in quarter 2 in view of not many new devices' launch and constraints in supply of hot-selling models.

With the current global conditions in mind, the Group will act with caution in looking for new opportunities to expand and optimise its operations. It will continue to engage with customers, keep abreast of market trends and adopt a flexible sales strategy in line with the demand trends. At the same time, the Group is exploring new products to enhance its business portfolio.

**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 and the reason(s) for the decision.**

No dividend has been declared or recommended for the period due to the accumulated losses of the Group.

**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 outstanding 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 their knowledge, nothing 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 procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

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

BY ORDER OF THE BOARD

ONG KOK WAH  
DIRECTOR  
Date: 13 MAY 2019

CARL JOHAN PONTUS SOENNERSTEDT  
DIRECTOR/ CHIEF EXECUTIVE OFFICER  
Date: 13 MAY 2019

*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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