

**UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018**

**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			Twelve Months Ended		
	31 Dec 2018	31 Dec 2017 (Restated)	Inc/(Dec)	31 Dec 2018	31 Dec 2017 (Restated)	Inc/(Dec)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>CONTINUING OPERATIONS</b>						
<b>Revenue (Note 1)</b>	10,766	13,353	(19)	23,058	34,721	(34)
Cost of Sales	(10,105)	(12,410)	(19)	(21,092)	(32,089)	(34)
<b>Gross profit</b>	661	943	(30)	1,966	2,632	(25)
<b>Other items of income</b>						
Interest income	26	-	N.M.	69	8	763
Other income (Note 2)	68	146	(53)	181	222	(18)
<b>Other items of expense</b>						
Marketing and distribution	(16)	(9)	78	(55)	(61)	(10)
Administrative expenses	(846)	(858)	(1)	(3,282)	(3,105)	6
Finance costs	(55)	(56)	(2)	(197)	(242)	(19)
Other expenses (Note 3)	(229)	(86)	166	(1,918)	(323)	494
Share of results of associate	136	245	(44)	455	245	86
<b>Profit/(Loss) before income tax</b>	(255)	325	N.M.	(2,781)	(624)	(346)
Income tax	(50)	-	N.M.	(50)	-	N.M.
<b>Profit/(loss) from continuing operations, net of tax</b>	(305)	325	N.M.	(2,831)	(624)	(354)
<b>DISCONTINUED OPERATION</b>						
<b>Profit from discontinued operation</b>	-	434	N.M.	2,721	1,612	69
<b>Profit/(Loss) for the year</b>	(305)	759	N.M.	(110)	988	N.M.
<b>Attributable to:</b>						
<b>Owners of the Company</b>						
Profit/(loss) from continuing operations, net of tax	(373)	328	N.M.	(2,494)	(612)	307
Profit from discontinued operation, net of tax	-	434	N.M.	2,721	1,612	69
<b>Profit/(loss) for the year attributable to owners of the company</b>	(373)	762		227	1,000	
<b>Non-controlling interests</b>						
Profit/(loss) from continuing operations, net of tax	68	(3)	N.M.	(337)	(12)	(2,708)
<b>Profit/(Loss) for the year</b>	(305)	759	N.M.	(110)	988	(111)
<b>Other comprehensive income:</b>						
<b>Items that may be reclassified subsequently to profit or loss</b>						
Net gain on fair value changes of available-for-sale financial assets	4,638	-	N.M.	46,184	-	N.M.
Share of an associate's other comprehensive income	-	-	N.M.	-	-	N.M.
Foreign currency translation	18	(238)	(108)	37	(611)	N.M.
<b>Other comprehensive income for the period, net of tax</b>	4,656	(238)	N.M.	46,221	(611)	N.M.
<b>Total comprehensive income for the period</b>	4,351	521	(736)	46,111	377	(12,131)
<b>Attributable to:</b>						
<b>Owners of the Company</b>	4,419	524	(743)	46,448	389	N.M.
Non-controlling interests	(68)	(3)	2,167	(337)	(12)	2,708
<b>Total comprehensive income for the period</b>	4,351	521	(735)	46,111	377	(12,131)

Note 1 - Revenue	Three Months Ended			Twelve Months Ended		
	31 Dec 2018	31 Dec 2017 (Restated)	Inc/(Dec)	31 Dec 2018	31 Dec 2017 (Restated)	Inc/(Dec)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Distribution sale of mobile handsets & accessories	1,385	1,613	(14)	3,180	12,956	(75)
Retail sale of computer hardware & accessories and computer software	9,381	11,740	(20)	19,878	21,765	(9)
	10,766	13,353	(19)	23,058	34,721	(34)

Note 2 - Other income	Three Months Ended			Twelve Months Ended		
	31 Dec 2018	31 Dec 2017 (Restated)	Inc/(Dec)	31 Dec 2018	31 Dec 2017 (Restated)	Inc/(Dec)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Rental income	29	9	222	111	36	208
Other miscellaneous income*	39	137	(72)	70	186	(62)
	68	146	(53)	181	222	(18)

\* 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			Twelve Months Ended		
	31 Dec 2018	31 Dec 2017	Inc/(Dec)	31 Dec 2018	31 Dec 2017	Inc/(Dec)
	(Restated)			(Restated)		
<i>Note 3 - Other expenses</i>	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	(85)	(103)	(17)	(362)	(441)	(18)
Depreciation of investment property	(23)	(23)	-	(90)	(90)	-
Loan receivables written off	(7)	-	N.M.	(1,117)	-	N.M.
Net (loss)/gain on disposal of property, plant and equipment	-	1	N.M.	6	2	(200)
Net (loss)/gain on assets transfer	(79)	-	N.M.	(339)	-	N.M.
Inventories written-down	(17)	(14)	21	(17)	(14)	21
Net foreign exchange gain/(loss)	(18)	53	N.M.	1	220	(100)
	(229)	(86)	166	(1,918)	(323)	494

N.M. denotes Not Meaningful

**Note 4 - DISCONTINUED OPERATION**

The Company disposed of its wholly-owned subsidiary, Polaris Telecom Pte Ltd on 18 June 2018. The Company received a disposal consideration of S\$6,000,000 that was fully settled in cash.

The value of assets and liabilities of the disposal subsidiary recorded in the consolidated financial statements as at 18 June 2018 was:

	\$'000
<b>Assets:</b>	
Property, plant and equipment	188
Intangible asset	141
Inventories	1,248
Prepaid operating expenses	40
Trade and other receivables	6,040
Cash and cash equivalents	1,390
	<u>9,047</u>
<b>Liabilities:</b>	
Trade and other payables	5,082
Other liabilities	79
Deferred revenue	34
Income tax payable	5
	<u>5,200</u>
Carrying value of net assets	<u>3,847</u>
Consideration	6,000
Net gain on disposal of subsidiary	<u>2,153</u>

The value of the cash flow effect of the disposal as at 18 June 2018 was:

Total consideration	6,000
Cash and cash equivalents	(1,390)
Proceeds from disposal of interest in subsidiary	<u>4,610</u>

The result of the discontinued operation included in the consolidated statement of comprehensive income are set out below. The comparative statement of comprehensive income has been restated to include the operation classified as discontinued in the current period.

	Group	
	2018 S\$'000	2017 S\$'000
<b>Profit for the year from discontinued operation</b>		
Revenue	20,928	45,866
Cost of sale	(19,497)	(42,350)
Gross profit	1,431	3,516
Other income	27	113
	1,458	3,629
Expenses	(885)	(2,017)
Profit before tax	573	1,612
Income tax expense	(5)	-
<b>Profit for the year</b>	<u>568</u>	<u>1,612</u>
Gain on disposal of operation	2,153	-
	<u>2,153</u>	<u>-</u>
Profit for the year from discontinued operation (attributable to owners of the Company)	2,721	1,612
<b>Cash flows from discontinued operation</b>		
Net cash inflows from operating activities	887	209
Net cash outflows from investing activities	(25)	(287)
Net cash outflows from financing activities	(1,060)	(912)
Net cash outflows	<u>(198)</u>	<u>(990)</u>

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.

1(b)(i)

**Consolidated Balance Sheets**

	Group		Company	
	31 Dec 2018	31 Dec 2017 (Restated)	31 Dec 2018	31 Dec 2017
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4,192	5,348	4,147	5,065
Investment properties	-	2,322	-	2,322
Intangible assets	-	225	-	-
Investment in subsidiaries	-	-	3,761	6,436
Investment in associates	1,182	721	-	-
Other financial assets	46,184	-	46,184	-
Other receivables	-	1,119	-	1,177
	51,558	9,735	54,092	15,000
<b>Current assets</b>				
Trade and other receivables	2,530	11,451	22	7
Inventories	748	1,760	-	-
Assets held-for-sales	2,826	-	2,826	-
Prepaid operating expenses	58	124	27	85
Cash and cash equivalents	8,445	5,085	6,592	400
	14,607	18,420	9,467	492
<b>Total assets</b>	<b>66,165</b>	<b>28,155</b>	<b>63,559</b>	<b>15,492</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Loans and borrowings (Note 5)	231	243	231	243
Trade and other payables	729	8,432	1,400	1,119
Deferred revenue	-	67	-	-
Other liabilities	342	472	169	261
Income tax payable	50	-	50	-
	1,345	9,214	1,850	1,623
<b>Net current assets/ (liabilities)</b>	<b>13,255</b>	<b>9,206</b>	<b>7,617</b>	<b>(1,131)</b>
<b>Non-current liabilities</b>				
Loans and borrowings (Note 5)	4,296	4,535	4,296	4,535
	4,296	4,535	4,296	4,535
<b>Total liabilities</b>	<b>5,648</b>	<b>13,749</b>	<b>6,146</b>	<b>6,158</b>
<b>Net assets</b>	<b>60,517</b>	<b>14,406</b>	<b>57,413</b>	<b>9,334</b>
<b>Equity attributable to members</b>				
Share capital	402,747	402,747	402,747	402,747
Reserves	46,184	-	46,185	-
Retained losses	(388,150)	(388,377)	(391,518)	(393,413)
Foreign currency translation reserve	(574)	(611)	-	-
	60,207	13,759	57,413	9,334
<b>Non-controlling interests</b>	310	647	-	-
<b>Total equity</b>	<b>60,517</b>	<b>14,406</b>	<b>57,422</b>	<b>9,334</b>
<b>Total equity and liabilities</b>	<b>66,165</b>	<b>28,155</b>	<b>63,559</b>	<b>15,492</b>

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

	As at 31 Dec 2018		As at 31 Dec 2017	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Note 5 - Loans and borrowings</i>				
<b>Current:</b>				
Commercial property loans	171	-	180	-
Investment property loans	60	-	63	-
Amount repayable in one year or less, or on demand	231	-	243	-
<b>Non-current:</b>				
Commercial property loans	3,263	-	3,442	-
Investment property loans	1,033	-	1,093	-
Amount repayable after one year	4,296	-	4,535	-
	<b>4,527</b>	<b>-</b>	<b>4,778</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, bearing interest at 3.22% below Bank's Commercial Financing Rate ("BCFR") for the 1st year, 3.12% below BCFR for the 2nd year, and 2.82% below BCFR for the 3rd year and thereafter at BCFR. Currently, BCFR is at 6.25% 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, bearing interest at 3.32% below 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 6.25% 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, bearing interest at 3.22% below 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 6.25% p.a.

Second Investment properties loan

The loan was fully repaid on 25 October 2017 and the relevant investment property has accordingly, been discharged from the mortgage.

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		Twelve Months Ended	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
	S\$'000	(Restated) S\$'000	S\$'000	(Restated) S\$'000
<b>OPERATING ACTIVITIES</b>				
(Loss)/profit before tax from continuing operations	(255)	325	(2,781)	(624)
Profit before tax from discontinued operation	-	434	2,726	1,612
(Loss)/profit before tax	(255)	759	(55)	988
Adjustments for:				
Amortisation of intangible assets	-	44	84	179
Depreciation of property, plant and equipment	85	136	433	516
Depreciation of investment properties	23	22	90	89
Interest income	(26)	-	(73)	(23)
Loan receivables written off	7	-	1,117	-
Inventories written-down	17	(14)	17	14
Net (gain)/loss on asset transfer	339	-	339	-
Net (gain) loss on disposal of subsidiaries	-	-	(2,153)	-
Net (gain) loss on disposal of property, plant and equipment	-	(1)	(10)	4
Unrealised exchange differences	(4)	85	(4)	(131)
Share of result of associate	(136)	(245)	(455)	(245)
Total adjustments	360	156	(386)	751
<b>Operating cash flows before changes in working capital</b>	<b>105</b>	<b>915</b>	<b>(441)</b>	<b>1,739</b>
Changes in working capital				
(Increase)/ Decrease in:				
Inventories	109	194	(253)	(337)
Trade and other receivables	(293)	(2,361)	2,883	(2,443)
Prepaid operating expenses	60	(62)	27	(56)
(Decrease)/ Increase in:				
Trade and other payables	(257)	960	(2,619)	1,592
Other liabilities	85	119	(162)	53
Total changes in working capital	(296)	(1,150)	(124)	(1,191)
<b>Cash flows generated from/(used in) operations</b>	<b>(191)</b>	<b>(235)</b>	<b>(565)</b>	<b>548</b>
Interest received	26	-	73	23
Interest paid	(56)	(101)	(229)	(348)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>(221)</b>	<b>(337)</b>	<b>(721)</b>	<b>223</b>
<b>INVESTING ACTIVITIES</b>				
Increase in loan receivable due from franchisee	-	(785)	-	(770)
Purchase of property, plant and equipment	(4)	(64)	(68)	(368)
Decrease in fixed deposit	(1,383)	-	(1,383)	-
Proceed from asset transfer	1,121	-	1,121	-
Proceed from disposal of property, plant and equipment	-	10	17	11
Net cash inflow from disposal of subsidiary (Note 5)	-	-	4,610	-
<b>Net cash flows generated from/(used in) investing activities</b>	<b>(266)</b>	<b>(839)</b>	<b>4,297</b>	<b>(1,127)</b>
<b>FINANCING ACTIVITIES</b>				
Repayment of loans and borrowings	(61)	(666)	(251)	(860)
<b>Net cash flows used in financing activities</b>	<b>(61)</b>	<b>(666)</b>	<b>(251)</b>	<b>(860)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(548)</b>	<b>(1,842)</b>	<b>3,325</b>	<b>(1,764)</b>
Effect of exchange rate changes on cash and cash equivalents	14	496	35	112
Cash and cash equivalents at beginning of the year	8,979	6,430	5,085	6,737
<b>Cash and cash equivalents at the end of the year</b>	<b>8,445</b>	<b>5,085</b>	<b>8,445</b>	<b>5,085</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 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 :

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
Opening balance at 1 January 2018, restated	14,406	402,747	(388,377)	-	(611)	647
Profit for the period	195	-	600	-	-	(405)
Other comprehensive income						
Fair value adjustment	41,546	-	-	41,546	-	-
Foreign currency translation	19	-	-	-	19	-
Other comprehensive income for the period, net of tax	41,565	-	-	41,546	19	-
Total comprehensive income for the period	41,760	-	600	41,546	19	(405)
Closing balance at 30 September 2018, restated	56,166	402,747	(387,777)	41,546	(592)	242
Profit for the period	(305)	-	(373)	-	-	68
Other comprehensive income						
Fair value adjustment	4,638	-	-	4,638	-	-
Foreign currency translation	18	-	-	-	18	-
Other comprehensive income for the period, net of tax	4,656	-	-	4,638	18	-
Total comprehensive income for the period	4,351	-	(373)	4,638	18	68
Closing balance at 31 December 2018	60,517	402,747	(388,150)	46,184	374	310

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
Adjustment on initial application of SFRS 1	-	-	940	-	(940)	-
Adjusted balance at 1 January 2017, restated	14,029	402,747	(389,227)	-	-	-
Profit for the period	229	-	238	-	-	(9)
Other comprehensive income						
Fair value adjustment	-	-	-	-	-	-
Foreign currency translation	(373)	-	-	-	(373)	-
Other comprehensive income for the period, net of tax	(373)	-	-	-	(373)	-
Total comprehensive income for the period	(144)	-	238	-	(373)	(9)
Closing balance at 30 September 2017, restated	13,885	402,747	(388,989)	-	(373)	500
Profit for the period	759	-	762	-	-	(3)
Other comprehensive income						
Fair value adjustment	-	-	-	-	-	-
Foreign currency translation	(238)	-	-	-	(238)	-
Other comprehensive income for the period, net of tax	(238)	-	-	-	(238)	-
Total comprehensive income for the period	521	-	762	-	(238)	(3)
Acquisition of NCI	-	-	(150)	-	-	150
Closing balance at 31 December 2017, restated	14,406	402,747	(388,377)	-	(611)	647

2018 Company	Equity, total S\$'000	Share capital S\$'000	Retained losses S\$'000	Other Reserve S\$'000
Opening balance at 1 January 2018	9,334	402,747	(393,413)	-
Profit for the period	3,831	-	3,831	-
Other comprehensive income				
Fair value adjustment	41,546	-	-	41,546
Foreign currency translation	-	-	-	-
Other comprehensive income for the period, net of tax	41,546	-	-	41,546
Total comprehensive income for the period	45,377	-	3,831	41,546
Closing balance at 30 September 2018	54,711	402,747	(389,582)	41,546
Profit for the period	(1,936)	-	(1,936)	-
Other comprehensive income				
Fair value adjustment	4,638	-	-	4,638
Foreign currency translation	-	-	-	-
Other comprehensive income for the period, net of tax	4,638	-	-	4,639
Total comprehensive income for the period	2,711	-	(1,936)	4,638
Closing balance at 31 December 2018	57,413	402,747	(391,518)	46,184

2017 Company	Equity, total S\$'000	Share capital S\$'000	Retained losses S\$'000	Other Reserve S\$'000
Opening balance at 1 January 2017	10,617	402,747	(392,130)	-
Profit for the period	168	-	168	-
<u>Other comprehensive income</u>				
Fair value adjustment	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	168	-	168	-
Closing balance at 30 September 2017	10,785	402,747	(391,962)	-
Profit for the period	(1,451)	-	(1,451)	-
<u>Other comprehensive income</u>				
Fair value adjustment	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	(1,451)	-	(1,451)	-
Closing balance at 31 December 2017	9,334	402,747	(393,413)	-

- 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 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 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 shares outstanding in a class that is listed 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 :**

There were no changes in the Company's share capital since 30 September 2018.  
The Company held no convertible and treasury shares as at 31 December 2018 and 31 December 2017.  
There were no subsidiary holdings as at 31 December 2018 and 31 December 2017.  
There were no share options granted by the Company during the year.

	Number of issued shares ('000)	Number and paid-up share capital (\$'000)
Balance as at 30 September 2018 (excluding treasury shares and subsidiary holdings)	17,053,170	402,747
<b>Balance as at 31 December 2018</b> (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 December 2018 ('000)	As at 31 December 2017 ('000)
Total number of issue shares (excluding treasury shares and subsidiary holdings)	17,053,170	17,053,170

- 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 does not have any treasury shares.

- 1(d) (v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.  
Not applicable as the Company does not have any subsidiary holdings.

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 2017, except as disclosed in paragraph 5 below.

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 International ("SFRS(I)") which are effective for financial periods beginning 1 January 2018, 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, except as described below:

**SFRS (I) 1**

The Group has applied SFRS (I) with 1 January 2017 as the date of transition for the Group, on a retrospective basis, as if such accounting policies had been applied, SFRS (I) 1 provide mandatory exceptions and optional exemptions from retrospective application. The Group has elected the transition option to reset the foreign currency translation reserve to zero at the date of transition on 1 January 2017. As a result, the Group reclassified cumulative translation gain from foreign currency translation reserve account to retained earnings as at 1 January 2017. The effect of the election to reset the foreign currency translation reserve to zero requires an adjustment of S\$0.94 million to retained earnings as shown in 1(d)(i).

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Three Months Ended		Twelve Months Ended	
	31 Dec 2018	31 Dec 2017 (Restated)	31 Dec 2018	31 Dec 2017 (Restated)
	S\$'000	S\$'000	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	(373)	762	(2,494)	(612)
	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>Earnings/(loss) per share attributable to owners of the Company (cents per share)</b>				
Basic	(0.0022)	0.0019	(0.0146)	(0.004)
Diluted	(0.0022)	0.0019	(0.0146)	(0.004)

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 the issuer at the end of the:-**

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

	Group		Company	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Net asset value per ordinary share is calculated based on 17,053,169,818 (31.12.2017: 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)	0.35	0.08	0.34	0.05

**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 financial year ended 31 December 2018 ("FY2018"), the Group recorded a turnover of S\$23.06 million, representing a decrease of 34% from the turnover of the corresponding year ended 31 December 2017 ("FY2017") of S\$34.72 million. This decrease was mainly due to lower distribution sales of mobile handset & accessories and retail sale of computer electronics and related product business for FY2018, which decreased respectively by 75% from S\$12.96 million to S\$3.18 million and 9% from S\$21.77 million to S\$19.88 million as compared to FY2017.

The Group's cost of sales decreased by 34% from S\$32.09 million in FY2017 to S\$21.09 million in FY2018, such decrease being in line with the decrease in the Group's turnover from FY2017 to FY2018 as described above.

Due to the lower turnover of the Group in FY2018 as described above, the Group's gross profit declined by 25% from S\$2.63 million in FY2017 to S\$1.97 million in FY2018.

The Group's interest income increased by 763% from S\$0.08 million in FY2017 to S\$0.69 million in FY2018 due to the higher placement of fixed deposit of S\$5.71 million with banks in FY2018 compared to S\$1 million in FY2017. For FY2018, the Group's other income increased by 951% from S\$0.22 million in FY2017 to S\$2.33 million in FY2018. The increase was mainly due rental income increasing by 208% from S\$0.04 million in FY2017 to S\$0.11 million in FY2018 as all the investment properties have been leased out in FY2018 and a net gain on disposal of its wholly-owned subsidiary, Polaris Telecom Pte. Ltd. of S\$2.15 million in FY2018. The increases were partially offset by lower government grants received, which decreased by 62% from S\$0.19 million in FY2017 to S\$0.07 million in FY2018.

The Group's finance cost decreased by 19% from S\$0.24 million for FY2017 to S\$0.19 million for FY2018. This decrease was due to the refinancing of the property loans at a lower interest rate. The 10% decrease in the Group's marketing and distribution expense from S\$0.06 million for FY2017 to S\$0.05 million for FY2018 was due to lower sales and marketing expenses incurred.

The Group's other expenses increased by 494% from S\$0.32 million in FY2017 to S\$1.92 million in FY2018. This increase was mainly due to S\$1.12 million of loan receivables from a franchisee being written off as the Group is of the view that it is irrecoverable and the net loss of S\$0.34 million on the assets transfer of fixed deposit and franchise and license agreement. The assets transfer was announced on SGXNET on 6 September 2018 and completed on 6 September 2018. The Group recorded a foreign exchange gain of S\$0.01 million in FY2018 as compared to a foreign exchange gain of S\$0.22 million in FY2017.

The Group posted a net loss of S\$0.11 million for FY2018 compared to a net gain of S\$0.99 million for FY2017. The net loss was mainly attributable to the lower turnover of the Group, the writing off of loan receivables of S\$1.12 million and the loss incurred on the asset transfer of S\$0.34 million, each as described above.

On 18 June 2018, the Company disposed of its wholly-owned subsidiary, Polaris Telecom Pte. Ltd., which has been classified as discontinued operation, for a cash consideration of S\$6 million and the comparative information for FY2017 have been reclassified to reflect this change in presentation.

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

The Group's total assets increased by S\$38.01 million from S\$28.16 million in FY2017 to S\$66.17 million in FY2018. This was mainly attributed to the recognition of S\$46.18 million in FY2018, the fair value of financial assets, available for sale. The equity investment represents the Group's 8.22% investment in PT Trikomsel Oke TBK ("TRIO"). As the trading of TRIO's shares was suspended on 6 January 2016 by the Indonesia Stock Exchange ("IDX"), the value of the investment in TRIO was carried at cost less impairment losses was nil in the financial year ended 31 December 2017. TRIO's shares resumed trading on the IDX on 18 July 2018. The fair value of S\$46.18 million was determined from a financial institution valuation of its market value as at 31 December 2018.

The Group's property, plant and equipment decreased by S\$1.16 million from S\$5.35 million in FY2017 to S\$4.19 million in FY2018 due to the depreciation of S\$0.43 million, the disposal of the Group's subsidiary property, plant and equipment of S\$0.18 million and a reclassification of one commercial property of S\$0.59 million to assets held for sale. The Group's investment in associate increased by S\$0.46 million from S\$0.72 million in FY2017 to S\$1.18 million in FY2018 due to the increase in share of profit from associate. The Group's investment properties of S\$2.23 million has been reclassified to assets held for sale. The decrease of S\$0.09 million from S\$2.32 in FY2017 to S\$2.23 million in FY2018 in the investment properties was due to depreciation. The decrease in the Group's intangible assets of S\$0.23 million in FY2018 was due to the disposal of the Group's subsidiary, Polaris Telecom Pte Ltd. The decrease in the Group's other receivables of S\$1.12 million in FY2018 was mainly due to the writing off of loan receivables from a franchisee. The decrease of S\$8.92 million in trade and other receivables from S\$11.45 million in FY2017 to S\$2.53 million in FY2018 was mainly due to the disposal of the Group's subsidiary, Polaris Telecom Pte Ltd trade and other receivables of S\$6.04 million and repayment from customers of S\$2.88 million. The Group's inventories decreased by S\$1.01 million from S\$1.76 million in FY2017 to S\$0.75 million in FY2018 was attributable to the disposal of the Group's subsidiary inventories of S\$1.25 million.

The Group's current liabilities decreased by S\$7.85 million from S\$9.21 million in FY2017 to S\$1.35 million in FY2018. The Group's trade and other payables and deferred revenue decreased by S\$7.7 million from S\$8.43 million in FY2017 to S\$0.73 million in FY2018 and S\$0.07 million respectively due to the disposal of subsidiary's liabilities of S\$5.2 million and settlement of payables. Loans and borrowings decreased by S\$0.25 million from S\$4.78 million in FY2017 to S\$4.53 million in FY2018 due to the repayment of loans. Other liabilities decreased by S\$0.13 million from S\$0.47 million in FY2017 to S\$0.34 million in FY2018 due to the disposal of subsidiary's other liabilities of S\$0.08 million and payment of accrued operating expenses of S\$0.05 million.

The increase in the net cash flow used in operating activities from S\$0.22 million in FY2017 to S\$0.72 million in FY2018 was due to a decrease in revenue and lower credit purchases.

The increase in the Group's net cash flow from investing activities from S\$1.13 million in FY2017 to S\$5.68 million in FY2018 was attributable to net cash inflow from disposal of subsidiary.

For financing activities, the Group has a net cash outflow of S\$1.63 million in FY2018 as compared to net cash outflow of S\$0.86 million in FY2017. The decrease in net cash outflow was due to early redemption of one investment property in FY2017 and decrease in fixed deposit.

The net increase in cash and cash equivalent of S\$3.33 million in FY2018 as compared to net decrease of S\$1.77 million in FY2017 was mainly due to the net cash proceeds of S\$4.61 million from the disposal of subsidiary and offset partly by payment of liabilities in FY2018.

**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 increasingly intense competition in the industry continues to be the key challenge for the Group to retain its ability to achieve sustainable profitability for its handset distribution and retail businesses in a mature and saturated market. Retail rental costs and manpower costs remain the key challenges to the Group's bottom line. In the event that the increase in costs exceeds the increment of the margin and the growth of revenue of the Group, the bottom line would be at a negative level. The thin margin may also have an adverse impact on the overall performance of the Group.

The Group will continue to expand its distribution network and retail footprint, strategically enhance its product range and brands portfolio, pursue exclusivity of brands or products, introduce new business models and pursue strategic investment 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 year ended 31 December 2018 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. **Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)**  
Not applicable.

**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 segment was disposed in FY2018.
- III The retail consumer electronics segment engages in the retail sale of IT and related products in Singapore. It offers a wide range of electronics products and services from reputable brands.
- IV The corporate segment is involved in Group-level corporate services, treasury functions and investment in marketable securities. It is also involved in strategic investment and joint venture opportunities in emerging South East Asia markets to synergise and complement the Group's existing offerings.

<b>FY2018</b>	Distribution	Retail consumer electronics	Corporate	Total	Retail telecommunication Singtel (Discontinued operation)	Grand Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	3,180	19,878	-	23,058	20,928	43,986
Segment results	86	1,880	-	1,966	1,431	3,397
Other operating income/(expenses) - net	(290)	(2,440)	(2,344)	(5,074)	1,323	(3,751)
Interest income	-	-	69	69	4	73
Finance cost	-	-	(197)	(197)	(32)	(229)
Share of profits of associates	-	-	455	455	-	455
Profit/(loss) before income tax	(204)	(560)	(2,017)	(2,781)	2,726	(55)
Income tax	-	-	(50)	(50)	(5)	(55)
Net profit/(loss) for the year	(204)	(560)	(2,067)	(2,831)	2,721	(110)

<b>FY2017</b>	Distribution	Retail consumer electronics	Corporate	Total	Retail telecommunication Singtel (Discontinued operation)	Grand Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	12,956	21,765	-	34,721	45,866	80,587
Segment results	1,017	1,614	-	2,631	3,516	6,147
Other operating income/(expenses) - net	(296)	(1,842)	(1,128)	(3,266)	(1,813)	(5,079)
Interest income	-	-	8	8	15	23
Finance cost	-	-	(242)	(242)	(106)	(348)
Share of profits of associates	-	-	245	245	-	245
Profit/(loss) before income tax	721	(228)	(1,117)	(623)	1,612	988
Income tax	-	-	-	-	-	-
Net profit/(loss) for the year	721	(228)	(1,117)	(623)	1,612	988

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

Revenue reported above represents revenue generated from external customers. There were no intersegment sales.

Segment profit/(loss) represents the profit/(loss) earned by each segment prior to the allocation of share of profits/(losses) of associates, other income and finance costs, and writing off of loan receivable from franchisee.

The revenue of the Group's retail consumer electronics segment decreased by 9% from S\$21.77 million in FY2017 to S\$19.88 million in FY2018. Despite the decrease in sales, the gross profit margin has increased from 7.42% in FY2017 to 9.46% in FY2018. The increase in the gross profit margin was due to increase in selling price. The segment incurred a net loss of S\$0.56 million in FY2018 as compared to a net loss of S\$0.23 million in FY2017 was mainly due to higher operating costs.

17. **A breakdown of sales as follows:**

	Group		
	FY2018	FY2017 (Restated)	Increase/ (Decrease)
	S\$'000	S\$'000	%
(a) Sales reported for the first half year	6,669	16,322	(59)
(b) Operating profit/loss after tax before deducting minority interests reported for the first half year	1,297	222	484
(c) Sales reported for the second half year	16,389	18,399	(11)
(d) Operating profit/loss after tax before deducting minority interests reported for the second half year	(1,401)	766	(283)

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 shareholder of the issuer**  
There is no person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.
20. **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.
21. **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: 26 February 2019

SOENNERSTEDT CARL JOHAN PONTUS  
DIRECTOR/ CHIEF EXECUTIVE OFFICER  
Date: 26 February 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 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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