

POLARIS LTD.

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



UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 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 2017 S\$'000	31 Dec 2016 S\$'000	Inc/(Dec) %	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000	Inc/(Dec) %
Revenue (Note 1)	28,870	35,479	(19)	80,587	89,855	(10)
Cost of Sales	(26,924)	(34,191)	(21)	(74,440)	(84,512)	(12)
Gross profit	1,946	1,288	51	6,147	5,343	15
Other items of income						
Interest income	3	198	(98)	23	320	(93)
Other income (Note 2)	159	337	(53)	320	593	(46)
Other items of expense						
Marketing and distribution	(17)	(17)	-	(75)	(75)	0
Administrative expenses	(1,312)	(1,105)	19	(4,739)	(5,954)	(20)
Finance costs	(101)	(111)	(9)	(349)	(468)	(25)
Reversal of impairment of investment in an associates	-	2,142	N.M	-	2,142	N.M
Other expenses (Note 3)	(164)	(644)	(75)	(584)	(944)	(38)
Share of results of an associate	245	69	N.M	245	46	N.M
Profit before tax	759	2,156	(65)	988	1,003	(2)
Income tax expense	-	70	N.M	-	61	N.M
Profit, net of tax	759	2,226	(66)	988	1,064	(7)
Attributable to:						
Owners of the Company	762	2,315	(67)	1,000	1,060	(6)
Non-controlling interests	(3)	(55)	(95)	(12)	4	(400)
Profit for the period	759	2,260		988	1,064	(7)
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Share of an associate's other comprehensive income	-	-	N.M	-	-	N.M
Foreign currency translation	(238)	6	N.M	(611)	147	(516)
Other comprehensive income for the period, net of tax	(238)	6	N.M	(611)	147	(516)
Total comprehensive income for the period	520	2,266	N.M	377	1,211	(69)
Attributable to:						
Owners of the Company	524	2,260		389	1,208	
Non-controlling interests	(3)	6		(12)	3	
Total comprehensive income for the period	521	2,266		377	1,211	(69)

Note 1 - Revenue	Three Months Ended			Twelve Months Ended		
	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000	Inc/(Dec) %	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000	Inc/(Dec) %
	Distribution sale of mobile handsets & accessories	1,613	19,476	(92)	12,956	34,016
Retail sale of mobile handsets & other apparatus	15,517	13,362	16	45,866	41,930	9
Retail sale of computer hardware & accessories and computer software	11,740	2,627	347	21,765	13,879	57
Other revenue	-	14	N.M.	-	30	N.M.
	28,870	35,479	(19)	80,587	89,855	(10)

Note 2 - Other income	Three Months Ended			Twelve Months Ended		
	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000	Inc/(Dec) %	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000	Inc/(Dec) %
	Gain on divestment of investment securities	-	205	N.M.	-	108
Rental income	9	9	(5)	36	93	(61)
Other miscellaneous income*	150	123	22	284	392	(28)
	159	337	(53)	320	593	(46)

* 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.

Note 3 - Other expenses	Three Months Ended			Twelve Months Ended		
	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000	Inc/(Dec) %	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000	Inc/(Dec) %
	Amortisation of intangible assets	(45)	(45)	(0)	(180)	(214)
Depreciation of property, plant and equipment	(136)	(142)	(4)	(516)	(649)	(21)
Depreciation of investment property	(23)	(24)	(6)	(90)	(90)	0
Net (loss)/gain on disposal of property, plant and equipment	1	(15)	(107)	(4)	(7)	(39)
Net (loss)/profit on disposal of investment	-	(50)	N.M.	-	(26)	N.M.
Net foreign exchange gain/(loss)	53	(117)	(145)	220	89	147
Provision for doubtful debts	-	(238)	N.M.	-	-	N.M.
Inventories written-down	(14)	(14)	-	(14)	(47)	(70)
	(164)	(644)	(75)	(584)	(944)	(38)

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 preceding financial year.

Consolidated Balance Sheets

	Group		Company	
	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	5,348	5,510	5,065	5,460
Investment properties	2,322	2,411	2,322	2,411
Intangible assets	225	404	-	-
Investment in subsidiaries	-	-	6,436	6,039
Investment in associates	721	482	-	-
Other receivables	1,119	346	1,177	2,322
	9,735	9,153	15,000	16,232
Current assets				
Trade and other receivables	11,454	9,505	7	269
Inventories	1,757	1,448	-	-
Assets held-for-sale	-	-	-	-
Prepaid operating expenses	124	69	85	23
Cash and cash equivalents	5,085	6,737	400	287
	18,420	17,759	492	579
Total assets	28,155	26,912	15,492	16,811
EQUITY AND LIABILITIES				
Current liabilities				
Loans and borrowings (Note 4)	243	272	243	272
Trade and other payables	8,432	6,813	149	290
Deferred revenue	67	13	-	-
Other liabilities	472	419	261	266
Income tax payable	-	-	-	-
	9,214	7,517	653	828
Net current assets/ (liabilities)	9,206	10,242	(161)	(249)
Non-current liabilities				
Loans and borrowings (Note 4)	4,535	5,366	4,535	5,366
Other payables	-	-	970	-
	4,535	5,366	5,505	5,366
Total liabilities	13,749	12,883	6,158	6,194
Net assets	14,406	14,029	9,334	10,617
Equity attributable to members				
Share capital	402,747	402,747	402,747	402,747
Retained losses	(389,317)	(390,167)	(393,413)	(392,130)
Foreign currency translation reserve	329	940	-	-
	13,759	13,520	9,334	10,617
Non-controlling interests	647	509	-	-
Total equity	14,406	14,029	9,334	10,617
Total equity and liabilities	28,155	26,912	15,492	16,811

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

	As at 31 Dec 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>				
Current:				
Commercial property loans	180	-	187	-
Investment property loans	63	-	85	-
Amount repayable in one year or less, or on demand	243	-	272	-
Non-current:				
Commercial property loans	3,442	-	3,613	-
Investment property loans	1,093	-	1,753	-
Amount repayable after one year	4,535	-	5,366	-
	4,778	-	5,638	-

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 3.32% 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		Twelve Months Ended	
	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000
OPERATING ACTIVITIES				
(Loss)/profit before tax	758	366	987	1,003
Adjustments for:				
Amortisation of intangible assets	45	45	180	215
Depreciation of property, plant and equipment	136	163	516	649
Depreciation of investment properties	22	21	89	90
Finance costs	101	65	348	468
Interest income	(3)	(2)	(23)	(320)
Inventories written-down	(14)	46	(14)	46
Unrealised exchanged differences	85	(119)	85	(119)
Gain on divestment of investment securities	-	-	-	(108)
Net (loss)/gain on disposal of property, plant and equipment	(1)	-	4	7
Net (loss) on disposal of associate	-	27	-	27
Reversal of allowance for impairment of receivables	-	(2,142)	-	(2,142)
Share of result of associate	(245)	(46)	(245)	(46)
Total adjustments	126	(1,942)	940	(1,233)
Operating cash flows before changes in working capital	884	(1,576)	1,927	(230)
Changes in working capital				
(Increase)/ Decrease in:				
Inventories	222	(191)	(323)	2,320
Trade and other receivables	(2,361)	375	(2,722)	2,303
Prepaid operating expenses	(62)	(475)	(55)	64
(Decrease)/ Increase in:				
Trade and other payables	960	3,996	1,673	396
Other liabilities	119	67	53	(393)
Total changes in working capital	(1,122)	3,772	(1,374)	4,690
Cash flows from operations	(238)	2,196	553	4,460
Interest received	3	2	23	320
Interest paid	(101)	(65)	(348)	(468)
Income taxes paid	-	-	-	(56)
Net cash flows from operating activities	(337)	2,133	228	4,256
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(64)	(20)	(368)	(70)
Repayment of loan to an associate	-	2,142	-	2,142
Proceed of disposal of property, plant and equipment	10	-	10	7
Proceed of disposal of associate	-	7	-	7
Proceeds from divestment of investment securities	-	708	-	708
Loan to franchisee	(785)	(174)	(785)	(174)
Net cash flows used in investing activities	(839)	2,663	(1,143)	2,620
FINANCING ACTIVITIES				
Proceeds from loans and borrowings	-	-	-	-
Repayment of loans and borrowings	(666)	(1,359)	(860)	(3,087)
Net cash flows used in financing activities	(666)	(1,359)	(860)	(3,087)
Net increase in cash and cash equivalents	(1,842)	3,437	(1,775)	3,789
Effect of exchange rate changes on cash and cash equivalents	496	215	123	211
Cash and cash equivalents at 1 October/1 January	6,430	3,085	6,737	2,737
Cash and cash equivalents at 30 September	5,085	6,737	5,085	6,737

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 :

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	229	-	238	-	-	(9)
Other comprehensive income						
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	13,885	402,747	(389,929)	-	567	500
Profit for the period	759	-	762	-	-	(3)
Other comprehensive income						
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	14,406	402,747	(389,317)	-	328	648

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	(1,196)	-	(1,255)	-	-	59
Other comprehensive income						
Foreign currency translation	(141)	-	-	-	(140)	(1)
Other comprehensive income for the period, net of tax	(141)	-	-	-	(140)	(1)
Total comprehensive income for the period	(1,337)	-	(1,255)	-	(140)	58
Closing balance at 30 September 2016	11,481	402,747	(392,482)	-	652	564
Profit/(Loss) for the period	2,260	-	2,315	-	-	(55)
Other comprehensive income						
Foreign currency translation	288	-	-	-	288	-
Other comprehensive income for the period, net of tax	288	-	-	-	288	-
Total comprehensive income for the period	2,548	-	2,315	-	288	(55)
Closing balance at 31 December 2016	14,029	402,747	(390,167)	-	940	509

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	168	-	168
Closing balance at 30 September 2017	10,785	402,747	(391,962)
Profit for the period, representing total comprehensive income for the period	(1,451)	-	(1,451)
Closing balance at 31 December 2017	9,334	402,747	(393,413)

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	177	-	177
Closing balance at 30 September 2016	15,239	402,747	(387,508)
Profit for the period, representing total comprehensive income for the period	(4,622)	-	(4,622)
Closing balance at 31 December 2016	10,617	402,747	(392,130)

- 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 31 December 2017 and at 31 December 2016

Company			
31 Dec 2017		30 Sept 2017	
Number of shares '000	S\$'000	Number of shares '000	S\$'000
17,053,170	402,747	17,053,170	402,747

There was no change in the issued share capital of the Company from 30 September 2017 to 31 December 2017

- 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 31 December 2017 and 31 December 2016

	Company			
	31 Dec 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
At the end of the year	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 Financial Reporting Standards in Singapore ("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		Twelve Months Ended	
	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000
Profit/(loss) for the period attributable to owners of the Company used in the computation of basic earnings per share	762	2,315	1,000	1,060
	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
Earnings per share attributable to owners of the Company (cents per share)				
Basic	0.0045	0.014	0.006	0.006
Diluted	0.0045	0.014	0.006	0.006

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 year.

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

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 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	0.05	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 year 2017 ("FY2017"), the Group's revenue decreased by 10% from S\$89.86 million in 2016 ("FY2016") to approximately S\$80.59 million. The decrease was mainly due to lower revenue from the Group's mobile handset & accessories distribution business for FY2017 which decreased by 62% from approximately S\$34.02 million to approximately S\$12.96 million as compared to FY2016. The cost of sales of the Group also decreased by 12% from S\$84.51 million in FY2016 to S\$74.44 million in FY2017 due to lower cost of sales from the Group's mobile handset & accessories distribution business for FY2017 which decreased by 63% from approximately S\$30.01 million in FY2016 to approximately S\$12.17 million for FY2017.

Despite the decrease of the Group's revenue in FY2017, the gross profit of the Group increased by 15% from S\$5.34 million in FY2016 to S\$6.15 million in FY2017 that resulted in the higher gross profit margin generated in FY2017 of 7.63% compared to FY2016 of 5.95%. The increase was mostly due to higher gross profit margin generated from the Group's Retail Telecommunication business from 4.3% in FY2016 to 5.5% in FY2017.

The interest income and other income of the Group for FY2017 decreased by 93% and 46% from FY2016, from S\$0.32 million and S\$0.59 million in FY2016 to S\$0.02 million and S\$0.32 million in FY2017 respectively. The decrease in interest income was mostly due to interest generated from settlement of loan receivable in FY2016 and in decrease in other income in FY2017 was mostly due to lower government grants received.

For FY2017, the Group's administrative expenses and finance cost decreased by 20% and 25% from S\$5.95 million and S\$0.47 million in FY2016 to S\$4.74 million and S\$0.35 million respectively in FY2017. The decrease of the Group's administrative expenses was mainly due to lower staff & personal cost and rental expense due to the closure of Sony and Lenovo retail outlets in FY2016. The decrease of the Group's finance cost was mostly due to repayment of the Group's loan and borrowing in FY2016.

The other expenses of the Group decreased by 38% to S\$0.58 million for FY2017 as compared to S\$0.94 million for FY2016. This was due to foreign exchange gain booked in FY2017 of S\$0.22 million compared to S\$0.09 million in FY2016.

The Group posted net profit of S\$0.99 million for FY2017 which decreased by 7% compared to S\$1.06 million for FY2016 which was mainly due to the recovery of the impairment of investment in associates in FY2016 of S\$2.14 million.

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

The Group recorded a net decrease in cash and cash equivalents of S\$1.78 million for FY2017, which was mostly caused by cash flow used in financing and investing activities. The cash flow used in financing activities mostly due to repayment of loans and borrowing of S\$0.86 million and the cash flow used in investing activities mostly due to purchase of property, plant and equipment and loan to franchisee of S\$0.37 million and S\$079 million respectively.

The Group's total assets increased by 4.62% from S\$26.91 million as at 31 December 2016 to S\$28.16 million as at 31 December 2017 mostly due to an increase in trade & other receivable from S\$9.51 million as of 31 December 2016 to S\$11.45 million as at 31 December 2017 followed by increase in inventories from S\$1.45 million as at 31 December 2016 to S\$1.76 million as at 31 December 2017 as well as an increase of other receivables from S\$0.35 million as at 31 December 2016 to S\$1.12 million as at 31 December 2017. These increases were mostly caused by purchase of inventories and additional loan to franchisee respectively. Also, the intangible assets of the Group decreased by 44.31% from S\$0.4 million at 31 December 2016 to S\$0.23 million at 31 December 2017, such decrease being due to the amortization of related intangible assets. The increase of investment in associate of the Group from S\$0.48 million as at 31 December 2016 to S\$0.72 million as at 31 December 2017 was due to recognition of the profit from associate. The increase of the Group's prepaid operating expenses from S\$0.07 million as at 31 December 2016 to S\$0.1 million as at 31 December 2017 was mostly due to accrual of administrative expense in FY2017.

In line with the increase of the Group's trade and other receivables, the Group's trade and other payables increased by 23.76% from S\$6.81 million as at 31 December 2016 to S\$8.43 million as at 31 December 2017. This increase was mainly due to an increase in purchase of goods by the Group. The decrease in the Group's loans and borrowing from S\$5.64 million as at 31 December 2016 to S\$4.78 million as at 31 December 2017 was due to repayment of the loan and borrowing in FY2017.

The Group's current liabilities increased by 22.58% from S\$7.52 million as at 31 December 2016 to S\$9.21 million as at 31 December 2017 which was mostly due to the 23.76% increase in trade and other payables from S\$6.81 million as at 31 December 2016 to S\$8.43 million as at 31 December 2017 and a 415.38% increase in deferred revenue from S\$0.01 million as at 31 December 2016 to S\$0.07 million as at 31 December 2017. The increase of trade and other payable and deferred revenue was due to increase in purchase of goods and additional retail branding support from a brand principal of the Group and higher accrued expenses in FY2017. The increase of current liabilities also came from increase of other liabilities from S\$0.42 million as of 31 December 2016 to S\$0.47 million as at 31 December 2017 that was mostly due to the higher accrued expenses booked in FY2017.

The Group's net assets slightly increased by 2.69% from S\$14.03 million as at 31 December 2016 to S\$14.41 million as at 31 December 2017. The increase was mainly due to net profit generated by the Group in FY2017.

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.**

With the fourth mobile operator expected to join the market in 2018, all three existing operators are competing fiercely in the telco market. Prices are being cut and new consumer plans and partner incentive schemes are being introduced. These changes might adversely affect the Groups profitability

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.

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.
- 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 brand such as Apple, Lenovo and Sony. Lenovo and Sony retail outlets were closed on June 2016 and January 2016 respectively
- 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.

FY2017	Distribution	Retail consumer electronics	Retail telecommunication	Corporate	Adjustments and eliminations	Per consolidated financial statements
			Singtel			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue						
External customers	12,956	21,765	45,866	-		80,587
Inter-segment	231	544	18,052	(6)	(18,822)	-
	13,187	22,309	63,918	(6)	(18,822)	80,587
Results:						
Interest income	4	(0)	15	0	-	18
Depreciation and Amortisation	4	15	255	512	-	786
Share of results of associates	-	-	-	245	-	245
Other non-cash expenses	(52)	(1,111)	90	1,178	(325)	(219)
Segment profit/(loss)	652	815	141	(1,188)	568	988

FY2016	Distribution	Retail consumer electronics	Retail telecommunication	Corporate	Adjustments and eliminations	Per consolidated financial statements
			Singtel			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue						
External customers	34,016	13,879	41,930	30	-	89,855
Inter-segment	108	2,927	23,299	-	(26,334)	(1)
	34,123	16,806	65,229	30	(26,334)	89,854
Results:						
Interest income	97	0	11	245	-	353
Depreciation and Amortisation	9	143	277	524	-	953
Share of results of associates	-	-	-	23	-	23
Other non-cash expenses	(115)	-	410	4,814	(5,145)	(36)
Segment profit/(loss)	1,035	(749)	25	(4,438)	5,194	1,067

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

The revenue of the Group's distribution segment decreased by 61% from S\$34.12 million in FY2016 to S\$13.19 million in FY2017. The decrease was mostly due to decrease in distribution to external customers. In line with the decrease in revenue, the segment profit also decreased by 50% from S\$1.04 million in FY2016 to S\$0.51 million in FY2017.

The revenue from the Group's retail consumer electronics segment increased by 33% from S\$16.81 million in FY2016 to S\$22.31 million in FY2017 and the segment profit also increased by 209% from loss of S\$0.75 million in FY2016 to profit of S\$0.82 million in FY2017. The increase of the segment profit was due to the improvement of the operating profit of the segment and other income coming from gain from inter-company payable written off.

The revenue of the Group's retail telecommunication segment slightly decreased by 2% from S\$65.23 million in FY2016 to S\$63.92 million in FY2017. The segment profit increased from S\$0.02 million in FY2016 to S\$0.14 million in FY2017, and such increase was mostly due to impairment of inter-company receivable booked in FY2016.

The revenue of the Group's corporate segment decreased by 100% compared to FY2016 due to the franchise fee booked in FY2016. The segment loss decrease from loss of S\$4.44 million in FY2016 to loss of S\$1.19 million in FY2017 was due to impairment of inter company receivable booked in FY2017.

17. A breakdown of sales as follows:

	Latest Financial Year S\$'000	Previous Financial Year S\$'000	Increase/ (Decrease) %
(a) Sales reported for the first half year	37,639	37,628	0
(b) Operating profit/loss after tax before deducting minority interests reported for the first half year	222	(1,561)	114
(c) Sales reported for the second half year	42,948	52,227	(18)
(d) Operating profit/loss after tax before deducting minority interests reported for the second half year	765	2,625	(71)

For breakdown by type of sales, see Note 1 above.

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

Not applicable. No dividend has been declared or recommended for the period under review.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such person, the issuer must make an appropriate negative statement.

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

Ang Chuan Hui, Peter
Director/Chief Executive Officer
Date: 26 February 2018

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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