

UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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			Nine Months Ended		
	30 Sept 2018 S\$'000	30 Sept 2017 S\$'000	Inc/(Dec) %	30 Sept 2018 S\$'000	30 Sept 2017 S\$'000	Inc/(Dec) %
Revenue (Note 1)	5,623	14,078	(60)	33,220	51,717	(36)
Cost of Sales	(5,088)	(12,823)	(60)	(30,484)	(47,516)	(36)
Gross profit	535	1,255	(57)	2,736	4,201	(35)
Other items of income						
Interest income	42	7	500	46	20	130
Other income (Note 2)	38	58	(34)	2,289	161	1,325
Other items of expense						
Marketing and distribution	(10)	(16)	(38)	(42)	(58)	(28)
Administrative expenses	(851)	(1,070)	(20)	(3,135)	(3,427)	(9)
Finance costs	(47)	(80)	(41)	(173)	(248)	(30)
Other expenses (Note 3)	(1,480)	(147)	907	(1,840)	(420)	338
Share of results of associate	103	-	N.M.	319	-	N.M.
Profit/(Loss) before income tax	(1,670)	7	N.M.	200	229	(13)
Income tax	-	-	N.M.	(5)	-	N.M.
Profit/(Loss) for the period	(1,670)	7	N.M.	195	229	N.M.
Attributable to:						
Owners of the Company	(1,273)	9	N.M.	600	238	153
Non-controlling interests	(397)	(2)	19,750	(405)	(9)	4,400
Profit/(Loss) for the period	(1,670)	7	N.M.	195	229	(15)
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Net gain on fair value changes of available-for-sale financial assets	41,546	-	N.M.	41,546	-	N.M.
Share of an associate's other comprehensive income	-	-	N.M.	-	-	N.M.
Foreign currency translation	(24)	(91)	(74)	19	(373)	N.M.
Other comprehensive income for the period, net of tax	41,522	(91)	N.M.	41,565	(373)	N.M.
Total comprehensive income for the period	39,852	(84)	N.M.	41,760	(144)	N.M.
Attributable to:						
Owners of the Company	40,249	(82)	(49,184)	42,165	(135)	N.M.
Non-controlling interests	(397)	(2)	19,750	(405)	(9)	4,400
Total comprehensive income for the period	39,852	(84)	(47,543)	41,760	(144)	N.M.

	Three Months Ended			Nine Months Ended		
	30 Sept 2018 S\$'000	30 Sept 2017 S\$'000	Inc/(Dec) %	30 Sept 2018 S\$'000	30 Sept 2017 S\$'000	Inc/(Dec) %
<i>Note 1 - Revenue</i>						
Distribution sale of mobile handsets & accessories	382	1,737	(78)	1,795	11,343	(84)
Retail sale of mobile handsets & other apparatus	-	9,032	(100)	20,928	30,349	(31)
Retail sale of computer hardware & accessories and computer software	5,241	3,309	58	10,497	10,025	5
	5,623	14,078	(60)	33,220	51,717	(36)

	Three Months Ended			Nine Months Ended		
	30 Sept 2018 S\$'000	30 Sept 2017 S\$'000	Inc/(Dec) %	30 Sept 2018 S\$'000	30 Sept 2017 S\$'000	Inc/(Dec) %
<i>Note 2 - Other income</i>						
Rental income	29	9	222	81	27	200
Net (loss)/gain on disposal of subsidiaries**	-	-	N.M.	2,153	-	N.M.
Other miscellaneous income*	9	49	(82)	55	134	(59)
	38	58	(34)	2,289	161	1,325

* 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.

** This gain is related to the disposal of subsidiary that are engaged in retail telecommunication business of the Group. The disposal announcement was posted on SGXNET on 18 June 2018.

	Three Months Ended			Nine Months Ended		
	30 Sept 2018 S\$'000	30 Sept 2017 S\$'000	Inc/(Dec) %	30 Sept 2018 S\$'000	30 Sept 2017 S\$'000	Inc/(Dec) %
<i>Note 3 - Other expenses</i>						
Amortisation of intangible assets	-	(45)	(100)	(84)	(135)	(38)
Depreciation of property, plant and equipment	(85)	(141)	(40)	(347)	(379)	(8)
Depreciation of investment property	(23)	(22)	3	(68)	(68)	(0)
Loan receivables written off	(1,110)	-	N.M.	(1,110)	-	N.M.
Net (loss)/gain on disposal of property, plant and equipment	-	(1)	N.M.	10	(5)	N.M.
Net (loss)/gain on assets transfer	(260)	-	N.M.	(260)	-	N.M.
Net foreign exchange gain/(loss)	(2)	62	N.M.	19	167	(89)
	(1,480)	(147)	907	(1,840)	(420)	338

N.M. denotes Not Meaningful

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	
	30 Sept 2018 S\$'000	31 Dec 2017 S\$'000	30 Sept 2018 S\$'000	31 Dec 2017 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	4,867	5,348	4,818	5,065
Investment properties	2,254	2,322	2,254	2,322
Intangible assets	-	225	-	-
Investment in subsidiaries	-	-	4,436	6,436
Investment in associates	1,037	721	-	-
Other financial assets	41,546	-	41,546	-
Other receivables	-	1,119	1,624	1,177
	49,704	9,735	54,678	15,000
Current assets				
Trade and other receivables	2,243	11,451	92	7
Inventories	874	1,760	-	-
Prepaid operating expenses	116	124	77	85
Cash and cash equivalents	8,979	5,085	7,382	400
	12,212	18,420	7,551	492
Total assets	61,916	28,155	62,229	15,492
EQUITY AND LIABILITIES				
Current liabilities				
Loans and borrowings (Note 4)	245	243	245	243
Trade and other payables	948	8,432	2,770	1,119
Deferred revenue	-	67	-	-
Other liabilities	212	472	158	261
	1,405	9,214	3,173	1,623
Net current assets/ (liabilities)	10,807	9,206	4,378	(1,131)
Non-current liabilities				
Loans and borrowings (Note 4)	4,345	4,535	4,345	4,535
	4,345	4,535	4,345	4,535
Total liabilities	5,750	13,749	7,518	6,158
Net assets	56,166	14,406	54,711	9,334
Equity attributable to members				
Share capital	402,747	402,747	402,747	402,747
Reserves	41,546	-	41,546	-
Retained losses	(388,717)	(389,317)	(389,582)	(393,413)
Foreign currency translation reserve	348	329	-	-
	55,924	13,759	54,711	9,334
Non-controlling interests	242	647	-	-
Total equity	56,166	14,406	54,711	9,334
Total equity and liabilities	61,916	28,155	62,229	15,492

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

	As at 30 Sept 2018		As at 31 Dec 2017	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
<i>Note 4 - Loans and borrowings</i>				
Current:				
Commercial property loans	181	-	180	-
Investment property loans	64	-	63	-
Amount repayable in one year or less, or on demand	245	-	243	-
Non-current:				
Commercial property loans	3,300	-	3,442	-
Investment property loans	1,045	-	1,093	-
Amount repayable after one year	4,345	-	4,535	-
	4,590	-	4,778	-

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 3.22% 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 2.43% over BCFR. Currently, BCFR is at 5.75% p.a.

Second Investment property loan

This loan is secured by a first mortgage over the Group's investment property and is repayable in 240 instalments, bear interest at 3.40% below Bank's Commercial Variable Rate 2 ("CR2") for the 1st year, 3.08% below CR2 for the 2nd year, and 2.30% below BCFR for the 3rd year and thereafter at CR2. Currently, CR2 is at 4.68% p.a.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Cash Flow Statement

	Three Months Ended		Nine Months Ended	
	30 Sept 2018 S\$'000	30 Sept 2017 S\$'000	30 Sept 2018 S\$'000	30 Sept 2017 S\$'000
OPERATING ACTIVITIES				
(Loss)/profit before tax	(1,670)	7	195	229
Adjustments for:				
Amortisation of intangible assets	-	45	84	135
Depreciation of property, plant and equipment	85	141	347	379
Depreciation of investment properties	23	23	68	68
Finance costs	47	80	173	248
Interest income	(42)	(7)	(46)	(20)
Loan receivables written off	1,110	-	1,110	-
Inventories written-down	-	-	-	-
Net (gain) loss on disposal of subsidiaries	-	-	(2,153)	-
Net (gain) loss on disposal of property, plant and equipment	-	1	(10)	5
Share of result of associate	(103)	-	(319)	-
Total adjustments	1,120	283	(746)	815
Operating cash flows before changes in working capital	(550)	290	(551)	1,044
Changes in working capital				
(Increase)/ Decrease in:				
Inventories	(407)	(244)	(362)	(545)
Trade and other receivables	(390)	1,290	3,177	(361)
Prepaid operating expenses	4	(3)	(32)	7
(Decrease)/ Increase in:				
Trade and other payables	(191)	(688)	(2,362)	713
Other liabilities	57	(47)	(246)	(66)
Total changes in working capital	(927)	308	175	(252)
Cash flows generated from/(used in) operations	(1,477)	598	(376)	792
Interest received	42	7	46	20
Interest paid	(47)	(80)	(173)	(248)
Income taxes paid	-	-	-	-
Net cash flows generated from/(used in) operating activities	(1,482)	525	(503)	564
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(8)	(284)	(63)	(304)
Proceed from disposal of property, plant and equipment	-	(1)	17	-
Net cash inflow from disposal of subsidiary	-	-	4,610	-
Net cash flows generated from/(used in) investing activities	(8)	(285)	4,564	(304)
FINANCING ACTIVITIES				
Repayment of loans and borrowings	(63)	(64)	(189)	(194)
Net cash flows used in financing activities	(63)	(64)	(189)	(194)
Net (decrease)/ increase in cash and cash equivalents	(1,553)	176	3,872	66
Effect of exchange rate changes on cash and cash equivalents	(21)	(93)	22	(373)
Cash and cash equivalents at beginning of the period	10,553	6,347	5,085	6,737
Cash and cash equivalents at end of the period	8,979	6,430	8,979	6,430

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	14,406	402,747	(389,317)	-	329	647
Profit for the period	1,865	-	1,873	-	-	(8)
Other comprehensive income						
Fair value adjustment	-	-	-	-	-	-
Foreign currency translation	43	-	-	-	43	-
Other comprehensive income for the period, net of tax	43	-	-	-	43	-
Total comprehensive income for the period	1,908	-	1,873	-	43	(8)
Closing balance at 30 June 2018	16,314	402,747	(387,444)	-	372	639
Profit for the period	(1,670)	-	(1,273)	-	-	(397)
Other comprehensive income						
Fair value adjustment	41,546	-	-	41,546	-	-
Foreign currency translation	(24)	-	-	-	(24)	-
Other comprehensive income for the period, net of tax	41,522	-	-	41,546	(24)	-
Total comprehensive income for the period	39,852	-	(1,273)	41,546	(24)	(397)
Closing balance at 30 September 2018	56,166	402,747	(388,717)	41,546	348	242

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

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	3,878	-	3,878	-
Other comprehensive income				
Fair value adjustment	-	-	-	-
Foreign currency translation	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	3,878	-	3,878	-
Closing balance at 30 June 2018	13,212	402,747	(389,535)	-
Profit for the period	(47)	-	(47)	-
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	41,499	-	(47)	41,546
Closing balance at 30 September 2018	54,711	402,747	(389,582)	41,546

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	73	-	73	-
Other comprehensive income				
Fair value adjustment	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	73	-	73	-
Closing balance at 30 June 2017	10,690	402,747	(392,057)	-
Profit for the period	95	-	95	-
Other comprehensive income				
Fair value adjustment	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	95	-	95	-
Closing balance at 30 September 2017	10,785	402,747	(391,962)	-

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in Company's Share Capital :

The Company held no convertible and treasury shares as at 30 September 2018 and 30 September 2017.

	Number of issued shares ('000)	Number and paid-up share capital (S\$'000)
Balance as at 30 June 2018 (excluding treasury shares)	17,053,170	402,747
Balance as at 30 September 2018 (excluding treasury shares)	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 30 September 2018 ('000)	As at 31 December 2017 ('000)
Total number of issue shares (excluding treasury shares)	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 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 2017, 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 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.**

The Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRS") for accounting periods beginning 1 January 2017, where applicable.

The adoption of new / revised FRS and INT FRS does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior period.

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

	Three Months Ended		Six Months Ended	
	30 Sept 2018 S\$'000	30 Sept 2017 S\$'000	30 Sept 2018 S\$'000	30 Sept 2017 S\$'000
Profit/(loss) for the period attributable to owners of the Company used in the computation of basic earnings per share	(1,273)	9	600	238
	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/(loss) per share attributable to owners of the Company (cents per share)				
Basic	(0.0075)	0.0001	0.0035	0.001
Diluted	(0.0075)	0.0001	0.0035	0.001

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	
	30 Sept 2018	31 Dec 2017	30 Sept 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)	0.33	0.08	0.32	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 third quarter of the financial year 2018 ("3QFY2018"), the Group's recorded a turnover of S\$5.62 million, representing a decrease of 60% over the turnover for the third quarter of the financial year ended 2017 ("3QFY2017") of S\$14.08 million. With the disposal of the Group's subsidiary, Polaris Telecom Pte Ltd which carried out the business of retail sale of mobile handsets and other apparatus in the second quarter of the financial year 2018 ("2QFY2018") which was announced on SGXNET on 28 February 2018 and completed on 18 June 2018 (the "Disposal"), there are no contributions from the retail telecommunication segment in 3QFY2018. In 3QFY2017, the retail telecommunication segment of the Group had contributed revenue of S\$9.03 million representing 64% of the Group's total revenue of S\$14.08 million for 3QFY2017. The revenue contributed by the Group's mobile handset and accessories distribution business decreased by 78% from S\$1.74 million in 3QFY2017 to S\$0.38 million in 3QFY2018. These decreases were partially offset by the increase in revenue from the retail sale of computer hardware and accessories and computer software business for 3QFY2018 which increased by 58% from S\$3.31 million in 3QFY2017 to S\$5.24 million in 3QFY2018. This increase was mainly due to the launch of new models of mobile phones and accessories purchase from our suppliers.

The Group's cost of sales decreased by 60% from S\$12.82 million in 3QFY2017 to S\$5.09 million in 3QFY2018, such decrease being in line with the decrease in the Group's turnover from 3QFY2017 to 3QFY2018 as described above.

Due to the lower turnover of the Group in 3QFY2018 as described above, the Group's gross profit declined 57% from S\$1.26 million in 3QFY2017 to S\$0.54 million in 3QFY2018.

The Group's interest income increased by 500% to S\$0.01 million in 3QFY2017 to S\$0.04 million in 3QFY2018 due to the placement of fixed deposit of S\$6.97 million with banks. For 3QFY2018, the Group's other income decreased by 34% to S\$0.04 million from S\$0.06 million in 3QFY2017. The decrease was mainly due to lower government grant and no contribution from the retail telecommunication segment which was disposed in 2QFY2018. This decrease was partially offset by the increase in rental income, increasing by 222% from S\$0.01 million in 3QFY2017 to S\$0.03 million in 3QFY2018 as all the investment properties have been leased out in the first quarter of the financial year 2018 ("1QFY2018").

The Group's finance cost decreased by 41% to S\$0.05 million for 3QFY2018 from S\$0.08 million for 3QFY2017. This decrease was due to the refinancing of the property loans at a lower interest rate. The 38% decrease in the Group's marketing and distribution expense from S\$0.02 million for 3QFY2017 to S\$0.01 million for 3QFY2018 was due to lower sales and marketing expenses incurred during 3QFY2018.

In 3QFY2018, the Group's other expenses increased by 907% from S\$0.15 million in 3QFY2017 to S\$1.48 million in 3QFY2018. This increase was mainly due to S\$1.11 million of loan receivables from a franchisee being written off as the Group is of the view that it is irrecoverable as the franchisee is loss making and the net loss of S\$0.26 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 loss of S\$0.01 million in 3QFY2018 as compared to a foreign exchange gain of S\$0.06 million in 3QFY2017.

The Group posted a net loss of S\$1.67 million for 3QFY2018 compared to a net gain of S\$0.01 million for 3QFY2017. The net loss was mainly attributable to the lower turnover of the Group as described above loan receivables of S\$1.11 million which were written off.

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

The Group's total assets increased by S\$33.76 million from S\$28.16 million in 3QFY2017 to S\$61.92 million in 3QFY2018. This was mainly attributed to the recognition of S\$41.55 million in 3QFY2018, 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 were nil. TRIO's shares resumed trading on the IDX on 18 July 2018. The fair value of S\$41.55 million was determined from a financial institution valuation of its market value as at 30 September 2018.

The Group's property, plant and equipment decreased by S\$0.48 million from S\$5.35 million in 3QFY2017 to S\$4.87 million in 3QFY2018 mainly due to the depreciation of S\$0.35 million and the disposal of the Group's subsidiary property, plant and equipment of S\$0.19 million. The Group's investment in associate increased by S\$0.32 million from S\$0.72 million in 3QFY2017 to S\$1.04 million in 3QFY2018 due to the increase in share of profit from associate. The decrease of S\$0.07 million from S\$2.32 in 3QFY2017 to S\$2.25 million in 3QFY2018 in the investment properties was due to depreciation. The decrease in the Group's intangible assets of S\$0.23 million was due to the disposal of the Group's subsidiary, Polaris Telecom Pte Ltd. The Group's other receivables decreased of S\$1.11 million mainly due to the S\$1.11 million of loan receivables from a franchisee being written off. The decrease of S\$9.21 million in trade and other receivables from S\$11.45 million in 3QFY2017 to S\$2.24 million in 3QFY2018 was mainly due to the disposal of the Group's subsidiary, Polaris Telecom Pte Ltd trade and other receivables of S\$5.86 million and partially offset by advance payment to a supplier of S\$0.92 million and settlement of receivables. The Group's inventories decreased by S\$0.89 million from S\$1.76 million in 3QFY2017 to S\$0.87 million in 3QFY2018 which was attributable to the disposal of the Group's subsidiary, Polaris Telecom Pte Ltd inventories of S\$1.25 million.

The Group's current liabilities increased by S\$7.81 million from S\$9.21 million in 3QFY2017 to S\$10.81 million in 3QFY2018. The Group's trade and other payables and deferred revenue decreased by S\$7.48 million from S\$8.43 million in 3QFY2017 to S\$0.95 million in 3QFY2018 and S\$0.07 million respectively due to the disposal of subsidiary's liabilities of S\$5.12 million and settlement of payables. This decrease was partially offset by the advance received from customers of S\$0.59 million. Loans and borrowings decreased by S\$0.19 million from S\$4.78 million in 3QFY2017 to S\$4.59 million in 3QFY2018 due to the repayment of loans. Other liabilities decreased by S\$0.26 million from S\$0.47 million in 3QFY2017 to S\$0.21 million in 3QFY2018 due to the disposal of subsidiary's other liabilities of S\$0.08 million and payment of accrued operating expenses.

The net cash flow used in operating activities of S\$1.47 million in 3QFY2018 as compared to net cash flow from operating activities of S\$0.60 million in 3QFY2017 due to the increase in purchase of inventories by the Group and advance payment to suppliers of S\$0.92 million.

The Group's net cash flow used in investing activities of S\$0.01 million in 3QFY2018 as compared to S\$0.29 million in 3QFY2017 was due to lower purchase of plant, property and equipment.

The net decrease in cash and cash equivalent of S\$1.55 million in 3QFY2018 as compared to net increase of S\$0.18 million in 3QFY2017 was mainly due to the increase in purchase of inventories for the launch of new models of mobile phones and accessories, advance payment to supplier for the new models and repayment of liabilities in 3QFY2018.

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 intense, with similarity in terms of technological features and pricing, giving customers plenty of choice and retailers little pricing power, on and offline. This stiff competition in the industry will be a key challenge for the Group to retain its ability to achieve sustainable profitability for its handset distribution and retail business in a saturated market. Retail rental costs continue to be a key challenge to the bottom line. Any further increase will impact to the already slim margin.

The Group is actively looking for new business opportunities and growth in the handset distribution and retail businesses. It will continue to engage its customers, keep abreast of market trends and adopt a flexible sales strategy in line with demand trends. At the same time, the Group is making efforts to diversify its current portfolio by pursuing exclusivity of brands or products, expanding its customer services business segment and exploring the possibility of entering a new market or industry.

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

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

The Board of Directors hereby confirm that to the best of our knowledge, nothing 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: 5 NOVEMBER 2018

CARL JOHAN PONTUS SOENNERSTEDT
DIRECTOR/ CHIEF EXECUTIVE OFFICER
Date: 5 NOVEMBER 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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