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

UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

PART I - INFORMATION REQUIRED FOR 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		
	Twelve Months Ended		
	31 Dec 2020	31 Dec 2019 *restated	Inc/(Dec)
	S$'000	S$'000	%
CONTINUING OPERATIONS			
Revenue (Note 1)	32,910	54,361	(39)
Cost of Sales**	(30,070)	(51,390)	(41)
Gross profit	2,840	2,971	(4)
Other items of income			
Interest income	225	55	309
Other income (Note 2)	987	139	610
Other items of expense			
Marketing and distribution	(181)	(63)	187
Administrative expenses**	(2,969)	(2,139)	39
Finance costs	(249)	(250)	(0)
Other expenses (Note 3)	(540)	(740)	(27)
Share of results of associate	79	284	(72)
Profit/(Loss) before income tax	192	257	25
Income tax	-	(1)	(100)
Profit/(loss) from continuing operations, net of tax	192	256	(25)
DISCONTINUED OPERATION			
Profit from discontinued operation	-	-	N.M.
Profit/(Loss) for the year	**192**	**256**	**N.M.**
Attributable to:			
Equity holders of the Company			
(Loss)/Profit from continuing operations, net of tax	210	205	(2)
Profit from discontinued operation, net of tax	-	-	N.M.
Profit/(loss) for the year attributable to equity holders of the company	**210**	**205**	**2**
Non-controlling interests			
Profit/(loss) from continuing operations, net of tax	(18)	51	N.M.
Profit/(Loss) for the year	**192**	**256**	**N.M.**

Other comprehensive income:			
Items that may not be reclassified subsequently to profit or loss			
Net gain/(loss) on fair value changes of equity instruments at fair value through other comprehensive loss	-	(46,086)	N.M.
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation	2	3	(33)
Other comprehensive income for the year, net of tax	**2**	**(46,083)**	**N.M.**
Total comprehensive income for the year	**194**	**(45,827)**	**N.M.**
Attributable to:			
Equity holders of the Company	212	(45,878)	N.M.
Non-controlling interests	(18)	51	N.M.
Total comprehensive income for the year	**194**	**(45,827)**	**N.M.**
Other comprehensive income:			
Items that may not be reclassified subsequently to profit or loss			
Net gain/(loss) on fair value changes of equity instruments at fair value through other comprehensive loss	-	(46,086)	N.M.
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation	2	3	N.M.
Other comprehensive income for the year, net of tax	**2**	**(46,083)**	**N.M.**
Total comprehensive income for the year	**194**	**(45,827)**	**N.M.**
Attributable to:			
Equity holders of the Company	212	(45,878)	N.M.
Non-controlling interests	(18)	51	N.M.
Total comprehensive income for the year	**194**	**(45,827)**	**100**

*Following our adoption of SFRS(I) 16 effective 1 January 2019 in the fourth quarter of the financial year ended 31 December 2019 ("4QFY2019"), the rental payments in the financial year ended 31 December 2019 ("FY2019") have been reclassified from administrative expenses to finance cost for interest expense on lease liabilities and other expenses for depreciation of right-of-use assets ("ROU"). The comparatives for FY2019 in this announcement have been restated from that previously disclosed in the Company's unaudited financial statements announcement for the FY2019 results dated 27 February 2020 (the "FY2019 Results"). The FY2019 administrative expenses, finance cost and other expenses as presented in this announcement have been amended.as previously disclosed in the FY2019 Results.

	Twelve Months Ended		
	31 Dec 2020	31 Dec 2019	Inc/(Dec)
Note 1 - Revenue	S$'000	S$'000	%
Distribution sale of mobile handsets & accessories	5,458	8,358	(35)
Consumer electronics sales	18,755	36,549	(49)
Customer service**	3,148	3,255	(3)
Trading sale of lifestyle products	5,549	6,199	(10)
	32,910	54,361	(39)

	Twelve Months Ended		
	31 Dec 2020	31 Dec 2019	Inc/(Dec)
Note 2 - Other income	S$'000	S$'000	%
Gain on divestment of investment securities	-	-	N.M.
Rental income	-	104	(100)
Net (loss)/gain on disposal of subsidiaries			N.M.
Other miscellaneous income[(1)]	987	35	2,720
	987	139	610

(1) Other miscellaneous income comprises mainly of government grants.

	Twelve Months Ended		
	31 Dec 2020	31 Dec 2019	Inc/(Dec)
Note 3 - Other expenses	S$'000	S$'000	%
Depreciation of property, plant and equipment	(107)	(306)	(65)
Depreciation and amortisation of ROU asset	(316)	(378)	N.M.
Depreciation of investment property	-	-	N.M.
Loan receivables written off	(104)	-	N.M.
Net (loss)/gain on assets transfer	-	78	N.M.
Net loss on liquidation of subsidiary	-	(76)	N.M.
Net gain on disposal of property, plant and equipment	38	1	N.M.
Inventories written-down	-	(23)	(100)
Net foreign exchange (loss)/gain	(51)	(36)	N.M.
		-	
	(540)	(740)	(27)

N.M. denotes Not Meaningful

** Revenue has been re-presented to disclose revenue from customer service as an operating segment. Its related expenses have also been reclassified from administrative expenses to cost of sale.*

1(b)(i) **A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

Consolidated Balance Sheet

	Group		Company	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	S$'000	S$'000	S$'000	S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	4,586	5,052	3,746	3,932
Investment in subsidiaries	-	-	3,039	3,039
Investment in an associates	-	1,320	-	-
Other financial assets	-	-	-	-
Other receivables	-	-	-	3,568
	4,586	6,372	6,785	10,539
Current assets				
Trade and other receivables	5,962	7,323	7,574	4
Inventories	2,684	852	-	-
Assets held-for-sales	2,656	2,826	1,373	2,826
Prepayments	85	91	16	71
Cash and cash equivalents	4,568	3,879	1,847	2,378
	15,955	14,971	10,810	5,279
Total assets	**20,541**	**21,343**	**17,595**	**15,818**
EQUITY AND LIABILITIES				
Current liabilities				
Borrowings (Note 4)	593	622	238	242
Trade and other payables	981	1,720	33	943
Other liabilities	598	358	241	167
Provision for income tax	-	-	-	-
	2,172	2,700	512	1,352
Net current assets	**13,783**	**12,271**	**10,298**	**3,927**
Non-current liabilities				
Borrowings (Note 4)	3,774	4,312	6,077	3,630
	3,774	4,312	6,077	3,630
Total liabilities	**5,946**	**7,012**	**6,589**	**4,982**
Net assets	**14,595**	**14,331**	**11,006**	**10,836**
Equity attributable to members				
Share capital	402,747	402,747	402,747	402,747
Fair value adjustment	-	-	-	-
Foreign currency translation reserve	214	(473)	-	-
Accumulated losses	(388,445)	(387,972)	(391,741)	(391,911)
	14,516	14,302	11,006	10,836
Non-controlling interests	79	29	-	-
Total equity	**14,595**	**14,331**	**11,006**	**10,836**
Total liabilities and Equity	**20,541**	**21,343**	**17,595**	**15,818**

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

Note 4 - Borrowings	As at 31 Dec 2020		As at 31 Dec 2019	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Current:				
Commercial property loans	172	-	171	-
Investment property loans	66	-	71	-
Lease liabilities	355	-	380	-
Amount repayable in 1 year or less, or on demand	593	-	622	-
Non-current:				
Commercial property loans	2,496	-	2,667	-
Investment property loans	889	-	963	-
Lease liabilities	389	-	682	-
Amount repayable after one year	3,774	-	4,312	-
	4,367	**-**	**4,934**	**-**

First commercial properties loan

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

Second commercial properties loan

This loan is secured by a first mortgage over the Group's commercial properties and is repayable in 240 instalments, and bears interest at 3.30% below BCFR for the 1st year, 3.30% below BCFR for the 2nd year and thereafter at BCFR. Currently, BCFR is at 6.25% p.a.

First Investment properties loan

This loan is secured by a first mortgage over the Group's investment properties and is repayable in 240 instalments, and bears interest at 2.55% for the 1st year, 2.55% for the 2nd year and thereafter at BCFR. Currently, BCFR is at 6.25% p.a.

Lease Liabilities

The Group recognised lease liabilities as a result of the adoption of SFRS(I) 16 for the retail outlet and motor vehicles.

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

	Twelve Months Ended	
	31 Dec 2020	31 Dec 2019
	S$'000	S$'000
OPERATING ACTIVITIES		
Profit/(Loss) before tax from continuing operations	194	257
Profit before tax from discontinued operation		-
Profit/(Loss) before tax	194	257
Adjustments for :	-	
Amortisation of intangible assets	423	-
Depreciation of property, plant and equipment	-	306
Depreciation and amortisation of ROU asset		378
Depreciation of investment properties		-
Finance costs	249	250
Interest income	(225)	(55)
Loan receivables written off		-
Inventories written-down		23
Reversal/Net loss on asset transfer	(38)	(78)
Net gain on disposal of subsidiaries		-
Net loss on liquidation of subsidiary		76
Net on disposal of property, plant and equipment		(1)
Share of results of associate	(79)	(284)
Net gain on fair value changes of ovailable-for-sale financial assets	104	
Investment in subsidiary	68	
Unrealised exchange differences	9	(8)
Total adjustments	511	607
Operating cash flows before changes in working capital	**705**	**864**
Changes in working capital		
(Increase)/ Decrease in:		
Inventories	(1,832)	(127)
Trade and other receivables	1,357	(5,132)
Prepayments	6	(33)
Increase/ (Decrease) in:		
Trade and other payables	(739)	990
Other liabilities	240	94
Total changes in working capital	(968)	(4,208)
Cash flows generated from/(used in) operations	**(263)**	**(3,344)**
Interest received	225	55
Interest paid	(249)	(228)
Income taxes paid	-	(51)
Net cash flows generated (used in)/generated from operating activities	**(287)**	**(3,568)**
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	43	(112)
Proceed from disposal of property, plant and equipment	1,388	1
Dividend received from associate	115	148
Net cash inflow from disposal of subsidiary	-	-
Net cash outflow on asset transfer		-
Decrease in pledged fixed deposits		-
Net cash flows (used in)/generated from investing activities	**1,546**	**37**
FINANCING ACTIVITIES		
Repayment of bank loans	(567)	(655)
Principal payment of lease liabilities		(419)
Net cash flows used in financing activities	**(567)**	**(1,074)**
Net (decrease)/ increase in cash and cash equivalents	**692**	**(4,605)**
Cash and cash equivalents at the beginning of the year	(3)	8,445
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	3,879	39
Cash and cash equivalents at the end of the year	**4,568**	**3,879**

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:

2020 Group	Total	Share capital	Accumulated losses		Fair value adjustment	Foreign currency translation reserve	Non-controlling interests
	S$'000	S$'000	S$'000		S$'000	S$'000	S$'000
Opening balance at 1 January 2020	**14,331**	**402,747**	**(387,972)**			**(473)**	**29**
Profit/(Loss) for the period	211	-	193		-	-	18
Other comprehensive income							
Fair value adjustment	-	-	-			-	
Foreign currency translation	53	-			-	53	-
Other comprehensive (loss) for the period, net of tax	**211**		**193**				**18**
Total comprehensive (loss)/income for the period	264	-	193	-	-	53	18
	-	-	-				
Closing balance at 31 December 2020	**14,595**	**402,747**	**(387,779)**	**-**	**-**	**(420)**	**47**

2019 Group	Total	Share capital	Accumulated losses	Fair value adjustment	Foreign currency translation reserve	Non-controlling interests
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Opening balance at 1 January 2019	**60,490**	**402,747**	**(388,177)**	**46,184**	**(574)**	**310**
Profit/(Loss) for the period	250	-	230	-	-	20
Other comprehensive income						
Fair value adjustment	(46,184)	-	-	(46,184)	-	-
Foreign currency translation	13	-	-	-	13	-
Other comprehensive income for the period, net of tax	**(46,171)**	**-**	**-**	**(46,184)**	**13**	**-**
Total comprehensive income/(loss) for the period	(45,921)	-	230	(46,184)	13	20
Closing balance at 30 September 2019	**14,569**	**402,747**	**(387,947)**	**-**	**(561)**	**330**
(Loss)/Profit for the period	6	-	(25)	-	-	31
Other comprehensive income						
Fair value adjustment	-	-	-	-	-	-
Foreign currency translation	(10)	-	-	-	(10)	-
Other comprehensive income for the period, net of tax	**(10)**	**-**	**-**	**-**	**(10)**	**-**
Total comprehensive income/(loss) for the period	(4)	-	(25)	-	(10)	31
Liquidation of a subsidiary	(234)	-	-		98	(332)
Closing balance at 31 December 2019	**14,331**	**402,747**	**(387,972)**	**-**	**(473)**	**29**

2020 Company	Total	Share capital	Accumulated losses	Fair value adjustment
	S$'000	S$'000	S$'000	S$'000
Opening balance at 1 January 2020	**10,836**	**402,747**	**(391,911)**	**-**
(Loss) for the period	170	-	170	-
Other comprehensive income				
Fair value adjustment	-	-	-	-
Other comprehensive income for the period, net of tax	**-**	**-**	**-**	**-**
Total comprehensive (loss) for the period	170	-	170	-
Closing balance at 31 December 2020	**11,006**	**402,747**	**(391,741)**	**-**

2019 Company	Total	Share capital	Accumulated losses	Fair value adjustment
	S$'000	S$'000	S$'000	S$'000
Opening balance at 1 January 2019	**57,413**	**402,747**	**(391,518)**	**46,184**
Profit for the period	418	-	418	-
Other comprehensive income				
Fair value adjustment	(46,184)	-	-	(46,184)
Other comprehensive income for the period, net of tax	**(46,184)**	**-**	**-**	**(46,184)**
Total comprehensive income for the period	(45,766)	-	418	(46,184)
Closing balance at 30 September 2019	**11,647**	**402,747**	**(391,100)**	**-**
(Loss) for the period	(811)	-	(811)	-
Other comprehensive income				
Fair value adjustment	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income/(loss) for the period	(811)	-	**(811)**	**-**
Closing balance at 31 December 2019	**10,836**	**402,747**	**(391,911)**	**-**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of 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 for the full year financial period ended 31 December 2020. There were no outstanding convertibles, treasury shares or subsidiary holdings as at 31 December 2020 and 31 December 2019.

	Number of issued shares ('000)	Issued and paid-up share capital (S$'000)
Balance as at 31 December 2020 (excluding treasury shares and subsidiary holdings)	17,053,170	402,747
Balance as at 31 December 2019 (excluding treasury shares and subsidiary holdings)	17,053,170	402,747

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31 December 2020 ('000)	As at 31 December 2019 ('000)
Total number of issued shares (excluding treasury shares and subsidiary holdings)	17,053,170	17,053,170

1(d) (iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable as the Company did not hold any treasury shares during the financial period reported.

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

Not applicable as there were no subsidiary holdings during 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.

3(A) Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion;
(a) updates on the efforts taken to resolve each outstanding audit issue.
(b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable. The Company's latest audited financial statements (for the financial year ended 31 December 2019) are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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 both the financial statements for the current reporting period as well as the audited financial statements for the financial year ended 31 December 2019.

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 reason for, and the effect of, the change.

Not applicable.

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.

	Twelve Months Ended	
	31 Dec 2020 S$'000	31 Dec 2019 S$'000
Continuing operations:		
Profit/(loss) for the period attributable to owners of the Company used in the computation of basic earnings per share	210	205
	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
Earnings/(loss) per share attributable to owners of the Company (cents per share)		
Basic	0.0012	0.0012
Diluted	0.0012	0.0012

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 of ordinary shares deemed issued pursuant to the exercise of any outstanding convertibles at the beginning of each financial period. However, as disclosed above, there were no outstanding convertibles as at 31 Dec 2020 and 31 Dec 2019.

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

	Group		Company	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Net asset value per ordinary share is calculated based on 17,053,169,818 (31.12.2018: 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)	0.09	0.08	0.06	0.06

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(a) Turnover, costs and earnings

For the financial year ended 31 December 2020 ("**FY2020**"), the Group recorded a turnover of S$32.91 million, representing a decrease of 39% over the turnover of the previous financial year ended 31 December 2019 ("**FY2019**") of S$54.36 million. This decrease was mainly due to lower turnover from all the operating segments as a result of a drop in customers' demand and the negative economic effects of the COVID-19 pandemic. The turnover from the distribution sales of mobile handsets and accessories decreased by 35% from S$8.36 million in FY2019 to S$5.46 million in FY2020. In addition, the turnover from consumer electronics sales decreased by 49% from S$36.55 million in FY2019 to S$18.80 million in FY2020, while the turnover from the customer service segment decreased by 3% from S$3.26 million in FY2019 to S$3.15 million in FY2020. The trading sale of lifestyle products segment saw a decrease of turnover by 10% from S$6.20 million in FY2019 to S$5.55 million in FY2020.

The Group's cost of sales decreased by 41% from S$51.39 million in FY2019 to S$30.07 million in FY2020, such decrease being in line with the decrease in the Group's turnover from FY2019 to FY2020 as described above.

Due to the lower turnover of the Group in FY2020 as described above, the Group's gross profit decreased 4% from S$2.97 million in FY2019 to S$2.84 million in FY2020.

The Group's interest income is derived from fixed deposits placed with the bank. Interest income increased by 309% from S$0.05 million in FY2019 to S$0.23 million in FY2020 due to interest on trade receivable offset by lower fixed deposit placement. Other income increased by 610% from S$0.14 million in FY2019 to S$0.99 million in FY2020, and this was mainly due to higher government grants received offset by a decrease in rental income as two of the three investment properties were sold during FY2020.

Marketing and distribution expenses increased by 187% from S$0.06 million in FY2019 to S$0.18 million in FY2020 mainly due to higher sales and marketing costs which were offset by a decrease in travelling expenses. Administrative expenses increased by 39% from S$2.14 million in FY2019 to S$2.97 million in FY2020 mainly due to the adoption of SFRS(I) 16 in FY2019 and the Group's business diversification into the pre-owned luxury goods business in FY2020.

The Group's finance costs decreased marginally in FY2020 as compared to FY2019 (by less than 1%) – the finance costs in FY2019 and FY2020 were approximately S$0.25 million.

Other expenses decreased by 27% from S$0.74 million in FY2019 to S$0.54 million in FY2020. This decrease was mainly due to lower depreciation of property, plant and equipment of S$0.11 million in FY2020 as compared to S$0.31 million in FY2019, offset by a net loss on foreign exchange of S$0.05 million in FY2020 as compared to a net loss of S$0.04 million in FY2019.

The Group posted a net profit from continuing operations of S$0.19 million for FY2020 as compared to a net profit of S$0.26 million in FY2019 mainly due to a decrease in turnover, as elaborated above, which was offset by higher government grants.

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

The Group's total assets decreased by approximately $0.8 million from S$21.34 million as at 31 December 2019 to S$20.54 million as at 31 December 2020 mainly due to the net loss on fair value of other financial assets.

Property, plant and equipment comprised of property, plant and equipment and Right of Use (ROU) assets. Property, plant and equipment in total decreased from S$5.05 million as at 31 December 2019 to S$4.55 million as at 31 December 2020 mainly due to depreciation of about S$0.5m during the FY2020. The ROU assets comprise of leases of the retail outlet and motor vehicles. The ROU net book value as at 31 December 2020 is $0.71 million compared to 31 December 2019 of S$1.05 million and this decrease was a result of the amortisation of the period.

Other financial assets represent the Group's remaining 8.22% investment in PT Trikomsel Oke Tbk ("**TRIO**"). Pursuant to a valuation of TRIO's market value conducted by a financial institution as at 30 September 2019, TRIO's fair value is nil as its shares were suspended by the Indonesian Stock Exchange ("**IDX**") on 17 July 2019. TRIO's shares remain suspended as at 31 December 2020.

Trade and other receivables decreased from S$7.32 million as at 31 December 2019 to S$5.96 million as at 31 December 2020 mainly due to the decrease in credit sales. Trade receivables decreased from S$6.83 million as at 31 December 2019 to S$4.68 million as at 31 December 2020. Other receivables decreased from S$1.28 million as at 31 December 2019 to S$0.54 million as at 31 December 2020.

Inventories increased from S$0.85 million as at 31 December 2019 to S$2.68 million as at 31 December 2020 owing to tight launch supply of mobile phones and tablets, with later than usual deliveries for end of year products.

The assets held-for-sale comprised of the net carrying amounts of the Group's investment properties and the Company has reclassified Polaristitans Philippines Inc as an asset held for sale as the Group looks to divest its investment. Fair value of the properties listed as assets for sale have been updated to be in line with the sales value of properties disposed of in FY2020.

Trade and other payables decreased from S$1.72 million as at 31 December 2019 to S$0.98 million as at 31 December 2020 owing mainly to a decrease in credit purchases.

Borrowings comprised of lease liabilities and a bank loan on properties. Borrowings decreased from S$4.93 million as at 31 December 2019 to S$4.37 million as at 31 December 2020. The Group's lease liabilities as at 31 December 2020 is S$0.74million. Bank loan on properties decreased from S$3.87 million as at 31 December 2019 to S$3.62 million as at 31 December 2020 owing to repayments.

Net cash flow used in operating activities of S$0.58 million in FY2020 (as compared to S$3.57 million in FY2019) was due to higher inventory balance, which was partially offset by higher trade payable balance.

Net cash flow from investing activity increased from S$0.03 million in FY2019 to S$1.5 million in FY2020 due to the sale of two investment properties in FY2020.

Net cash flow used in financing activities decreased from S$1.07 million in FY2019 to S$0.6 million in FY2020 due to repayment of loans and borrowings..

Incorporation of subsidiaries in FY2020

During the course of FY2020, the Company incorporated the subsidiaries stated below. For further information on the incorporation of these subsidiaries, please refer to the relevant announcements on SGXNet.

On 15 July 2020, the Group, through its 51% indirect owned subsidiary Marque Luxury Pte Ltd ("ML"), announced the incorporation of Marque Luxury America LLC ("MLA"), a wholly-owned subsidiary of ML, with a paid-up capital of USD 100 (approximately S$ 133).

On 8 September 2020, the Group, through its 51% indirect owned subsidiary Marque Luxury Pte Ltd ("ML"), announced the incorporation of Marque Luxury Korea Co., Ltd ("MLK"), a wholly-owned subsidiary of ML, with a paid-up capital of Korean Won 100,000,000 (approximately S$ 118,000).

On 21 November 2020, the Group, through its 51% indirect owned subsidiary Marque Luxury Pte Ltd ("ML"), announced the subscription 1,530,0000 ordinary shares at a par value of Philippines Pesos 1.00 per share in Connetic-Enterprises Inc ("CEI"), representing 51% of CEI, for the consideration of Philippines Pesos 177,548 (approximately S$ 4,943).

On 1 December 2020, the Group, through its 51% indirect owned subsidiary Marque Luxury Pte Ltd ("ML"), announced the incorporation of Marque Luxury (Thailand) Co., Ltd ("MLTH"), a 49% owned subsidiary of ML, with a paid-up capital of Thai Baht 5,000,000 (approximately S$ 220,000). ML has the right to acquire another 2% of the existing issued share capital of MLTH for US$1 when regulations allow for it.

On 31 December 2020, the Group, announced the incorporation of two new subsidiaries in the United States of America, namely, MLuxury Nevada LLC ("MLN") and MLuxury Texas LLC ("MLT"). The issued and paid-up share capital of MLN is US$100 (approximately S$ 133), of which 50% is held by Marque Luxury America LLC ("MLA"), a 51% indirectly owned subsidiary of the Company, and the remaining 50% of the shares is held by LHMC LLC ("LHMC"). The issued and paid-up share capital of MLT is US$100 (approximately S$ 133), of which 51% is held by MLA and the remaining 49% of the shares is held by Bentgrass Holdings LLC ("BH").

The Company's share of the net asset values of the above entities as at the end of FY2020 are as follows: MLK: S$59,383, CEI: S$19,323, MLTH: S$13,035 and MLA (consolidated with that of MLN and MLT): S$17,034.

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 business segments in which we operate in are expected to be challenging for the financial year 2021 in view of the uncertain global economic situation and its impact on demand for our products and services over the next 6 months. The consumer electronics sales business segment will be facing headwinds due to the competitiveness of the industry and supply constraints. We will continue to source for new clients, including via government tenders, to expand the customer base and diversify risk exposure.

Our customer service business segment looks to continue contributing positively to the profitability of the Group and is expected to remain

stable within the next 12 months.

The pre-owned luxury goods space, supporting the trading sale of lifestyle products, is expected to see continued growth the coming 12 months. The Group has over the past year expanded its sourcing and sales capabilities in Asia and North America, to be able to capture this growth.

The Group is actively exploring potential investment and business opportunities to generate new revenue streams for the benefit of shareholders.

With the continuing spread of the COVID-19 pandemic around the world, there is no clear indication when COVID-19 can be eradicated globally and when business conditions and market sentiment can return to pre-COVID-19 levels. The Group will continue to look at ways to reduce expenditure and is also exploring possible avenues for business opportunities.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No.

(b) (i) Amount per share (cents)

Not applicable.

(ii) Previous corresponding period (cents)

Not applicable as no dividend was declared for the previous corresponding financial period.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated.)

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for FY2020 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. 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.

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 five 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 consumer electronics sales segment engages in the retail sale of IT and related products in Singapore.

III The customer service segment provides after-market services to end consumers for equipment repairs and technical services in Singapore.

IV The trading sale of lifestyle products segment engages in the importing and exporting of the wholesale and retail of premium lifestyle products.

V 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.

(a) Segment revenues and results

	Segment revenue		Segment profit/(loss)	
	FY2020	FY2019	FY2020	FY2019
	S$'000	S$'000	S$'000	S$'000
Continuing operations				

Distribution	5,458	8,358	165	(22)
Consumer Electronics Sales	18,755	36,549	(575)	(178)
Customer Service	3,148	3,255	283	(171)
Trading Sale of Lifestyle Products	5549	6,199	264	366
Corporate		-	-	173
			137	168
Share of profits of associates			79	284
Interest income			225	55
Finance costs			(249)	(250)
Profit/(Loss) before income tax	32,910	54,361	192	257

(b) Geographical information

	Revenues		Non-current assets	
	FY2020	FY2019	FY2020	FY2019
	S$'000	S$'000	S$'000	S$'000
Continuing operations				
Singapore	23,905	33,722	4,586	5,052
Hong Kong	565	10,126	-	-
Indonesia	509	80	-	1,320
Philippines	5,191	6,360	-	
United States of America	2,247	4,073	-	-
United Kingdom	437	-		
Korea	56	-		
	32,910	54,361	4,586	6,372
Discontinued operation				
Singapore	-		-	-
	32,910	54,361	4,586	6,372

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 from the distribution segment decreased by 35% from S$8.4 million in FY2019 to S$5.5 million in FY2020 and this was directly tied to the slow-down from the pandemic. The decrease in consumer electronics sales of 49% from S$36.5m to S$18.8m was the result of FY2019 being an extraordinarily strong year, the slow-down in market demand and corporate buying due to COVID-19, as well as supply constraints on key products. Revenue from the customer service segment dropped by 3% to 3.15 million in FY2020 as compared to S$3.26 million in FY2019, which was slightly below expectations due to effects from the circuit breaker and parts supply. Revenue from the trading sale of lifestyle products business segment decreased by 10% from S$6.2 million in FY2019 to S$5.5 million in FY2020, but with strong momentum in the second half of FY2020.**17. Breakdown of sales:**

	Group		
	FY2020	FY2019 (Restated)	Increase/ (Decrease)
	S$'000	S$'000	%
(a) Sales reported for the first half year	21,526	21,190	2
(b) Operating profit/loss after tax before deducting minority interests reported for the first half year	445	113	294
(c) Sales reported for the second half year	11,383	33,171	(66)
(d) Operating profit/loss after tax before deducting minority interests reported for the second half year	(234)	144	(263)

For breakdown by type of sales, see Note 1 on page 2 of this announcement.

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

Not applicable. No dividend has been declared or recommended for FY2020 and FY2019 due to the accumulated losses of the Group.

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 no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Dian Stefani Sugialam	29	Daughter of substantial shareholder, Mr Sugiono Wiyono Sugialam	Executive Director of Marque Luxury Pte Ltd, a 51%-owned subsidiary of the Company (since November 2019)	N.A
Sugiono Wiyono Sugialam	58	Substantial shareholder	Executive Chairman of Polaris Ltd	Appointed on 25 February 2021

20. Status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8.

There are no outstanding proceeds raised from IPO and any offerings for the period under review.

BY ORDER OF THE BOARD

ONG KOK WAH
DIRECTOR
Date: 1 March 2021

SOENNERSTEDT CARL JOHAN PONTUS
DIRECTOR/ CHIEF EXECUTIVE OFFICER
Date: 1 March 2021

*This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes 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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