polaris

2019 ANNUAL REPORT

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Disclaimer

This annual report has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor"). 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 annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report..

The contact person for the
Sponsor is Mr Yap Wai Ming
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LETTER TO SHAREHOLDERS

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to report that Polaris Ltd (the “Company”, and together with its subsidiaries, the “Group”) achieved a profit of S$0.2 million for the financial year ended 31 December 2019 (“FY2019”) – a resilient performance despite the challenging macroeconomic environment.

DEVELOPMENTS IN FY2019

The Singapore economy grew by 0.7% in 2019 (as compared to 3.1% in 2018), the slowest in a decade amid prolonged global trade conflicts and tepid business sentiment. Nevertheless, the Group’s new management team continued to forge ahead by streamlining business operations and expanding each division’s suite of product and service offerings.

Our distribution division delivered strong growth by working closely with our business partners to secure more contracts and a larger share of their procurements.

Our retail consumer electronics division also saw growth with a more comprehensive product and service offering for our customers. Our participation in the Apple Device Enrollment Program (“DEP”) facilitates easier deployment and configuration of devices and this allows us to better serve our corporate clients. While the retail sector remains challenging, the division managed to bolster its performance through higher accessory attachment rates coupled by stronger device sales. Our educational robotics portfolio and customer base strengthened, positioning us well in the rapidly evolving and expanding educational sector.

In addition, our customer service teams rose to the challenge to substantially expand our capacity and sharpen service quality standards. Both the qualitative and quantitative results were impressive. We are proud of our achievements to deliver premium service at scale.

Notwithstanding the current operating environment, we remain committed to pursue new business opportunities to drive sustainable growth and enhance shareholder value. After reviewing several business opportunities over the two past years, we proceeded to enter the resale space and established a joint venture in Singapore, Marque Luxury Asia Pte Ltd, in the fourth quarter of 2019. The business is focused on developing the wholesale and retail of premium lifestyle products.

On the regional front, Polaristitans Philippines Inc. remained stable and continued to focus on sound account and fiscal management, accurate product forecasting and tight inventory management. The team continues to pursue opportunities with key reliable resellers and corporate accounts.

FINANCIAL REVIEW

The Group posted revenue of S$54.4 million for the financial year ended 31 December 2019 (“FY2019”) compared to S$23.1 million in the previous financial year ended 31 December 2018 (“FY2018”). All business units posted growth year on year. The Group recorded profit attributable to shareholders of S$0.2 million for FY2019, on par with the profit of S$0.2 million in FY2018. The result in FY2018 was supported by the gain on disposal of Polaris Telecom Pte Ltd. Profitability in FY2019 was achieved from improved business performance and a reduction in operating costs. Net assets decreased significantly from S$60.5 million in FY2018 to S$14.3 million in FY2019. This was mainly due to the impairment of the Group’s 8.22% stake in PT Trikomsel Oke Tbk, as the shares were suspended from trading on the Indonesia Stock Exchange in FY2019.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Polaris continues to actively contribute and support the communities in which we live and work. This year, our employees were pleased to continue our commitment to serve by volunteering at the Willing Hearts soup kitchen in October 2019.

Apart from a handful of staff, Willing Hearts is wholly run by volunteers. It operates a soup kitchen that prepares, cooks and distributes about 5,000 daily meals to over 40 locations island wide throughout the year. Beneficiaries include the elderly, the disabled, low income families, children from single parent families or otherwise poverty-stricken families, and migrant workers in Singapore.

We are grateful to do our part to serve and contribute to our society so as to improve the lives of others.

Embracing sustainability is integral to the long-term development and growth of our business. For more information on our sustainability efforts, performance and strategies in FY2019, please refer to the Sustainability Report on pages 10 to 20.

LETTER TO SHAREHOLDERS

LOOKING AHEAD

Our retail and customer service businesses continue to see both opportunities and risks. We work closely with several leading brands which are performing well and Polaris is in a position to benefit from their growth. At the same time, these companies continually review the strategies and terms with which they engage their partners, which may affect our businesses both positively and negatively over time. We will continue to invest in our people and these businesses to ensure that we remain as a valuable and preferred partner. As in 2019, we will explore adding new higher margin products and services to our business portfolio. With our position in educational robotics established and Singapore's growing private and public investments in the disciplines of science, technology, engineering and mathematics ("STEM"), we hope that our portfolio will expand to address growing customer demand.

Having entered the resale space in late 2019, we are in the early stages of establishing this business and developing the opportunities we see here. These include expanding our sourcing footprint and investing in our own technology platforms to ensure that we optimally leverage on the valuable data that we are collecting.

Going into 2020, the Group is well positioned to manage our existing businesses as well as explore new ones. The work ahead is focused on taking on a manageable level of risk that allows us to drive sustainable growth and enhance shareholder value.

WORDS OF APPRECIATION

We would like to start by appreciating our valued employees for going the extra mile in 2019. Without their extensive efforts, our improved performance would never have been possible. To Mr Ong Soon Hwee, Gary, who stepped down as Executive Director and Chief Operating Officer, we offer our heartfelt thanks for his many contributions to the Company. To all of our shareholders, customers and business partners we extend our warm appreciation for your continued support. Finally, we would like to thank our management team and fellow board members for their dedication and guidance. We look forward to make 2020 another successful year together.

Ong Kok Wah
Independent Non-Executive Chairman

Soennerstedt Carl Johan Pontus
Executive Director and Chief Executive Officer

BOARD OF DIRECTORS

Mr Ong Kok Wah
Independent Non-Executive Chairman

DATE OF APPOINTMENT AS DIRECTOR

20 May 2010

DATE OF LAST RE-ELECTION

27 April 2018

BOARD COMMITTEES SERVED ON

Member of Audit and Risk Management Committee since 5 February 2018
Chairman of Remuneration Committee since 5 February 2018
Chairman of Nominating Committee since 5 February 2018

Mr Ong was re-designated as an Independent Director on 12 August 2010. He was appointed as Chairman of the Board with effect from 1 March 2018.

Mr Ong has over 47 years of working experience in the marine and offshore industries. He started his career in the Merchant Navy with Shell Eastern Fleet, Maple Hill Shipping and Guan Guan Shipping. He was with the Port Authority of Singapore ("PSA") from 1968 to 1975 where his last position was Controller (Shipping). He joined Chuan Hup Holdings Limited Group as a Director from 1976 to October 2005. He was a Director with CH Offshore Ltd ("CHO") for the period from 1987 to 2010, during which he was appointed as CEO from 2004 to 2007.

Mr Ong was a member of the American Bureau of Shipping's Southeast Asia Technical Committee. He was a Council Member of the Singapore Shipping Association ("SSA") since its inception in 1985 until 2007, where his last held position was Honorary Secretary. In its June 2008 annual general meeting, SSA bestowed an 'Honorary Membership' on Mr Ong and he remains as one of their trustees. He was also a Director on the Board of the Shipowners' Mutual Protection and Indemnity Association (Luxembourg) from 1993 to 2017 and was the Director of their Singapore registered insurance company.

Mr Ong is the Independent Non-Executive Director of ICP Ltd and holds directorships in several private companies in Singapore.

Mr Ong attended Nautical Studies at Singapore Polytechnic. He holds a Second-mate (FG) certificate from the Singapore Ministry of Transport.

Mr Masahiko Yabuki
Independent Non-Executive Director

DATE OF APPOINTMENT AS DIRECTOR

5 February 2018

DATE OF LAST RE-ELECTION

27 April 2018

BOARD COMMITTEES SERVED ON

Chairman of Audit and Risk Management Committee since 5 February 2018
Member of Remuneration Committee since 5 February 2018
Member of Nominating Committee since 5 February 2018

Mr Yabuki joined the Board of Directors on 5 February 2018, bringing with him 35 years of business development experience and contacts in the APAC telecommunications and technology spaces.

Since 2015, he has been CEO of MYNZ Co., Ltd., a company which focuses on consulting, business development and investments in Japan and Southeast Asia. Between 2015 and 2017 he was also CEO & President of CloudMinds Japan K.K., a company involved in the business of connecting a broad ecosystem of robots and smart devices to Cloud artificial intelligence.

Prior to his current position, Mr Yabuki worked for SoftBank from 2004 to 2015. His roles in SoftBank included Senior Vice President of Strategic Business Development in the CEO office for Southeast Asian markets and member of the Vodafone Japan acquisition team. He was also part of the management team of SoftBank Mobile, whereby he led new business development such as collaborations with Disney Mobile and other foreign partners. Concurrently, he was also President of Mobile Planning Corp., a subsidiary of SoftBank which focused on mobile TV planning.

Earlier in his career Mr Yabuki served as Director and Country Manager of UTStarcom Japan K.K. between 2001 and 2004. He was the first employee of UTStarcom in Japan and was given the mission to establish the company and business in the market. During his tenure, one of Mr Yabuki's key achievements was to secure business with SoftBank, through Asymmetric Digital Subscriber Line (ADSL) core equipment sales for the Yahoo! BB broadband service, digital access equipment, fiber transmission equipment and Gigabit Passive Optical Networks (G-PON) for Fiber To The Home (FTTH) project.

Mr Yabuki began his career in Kanematsu Corporation, where he worked between 1982 and 2001. He was responsible for the business development of electric power and telecommunications projects in Asian countries. Towards the end of his career in Kanematsu Corporation, he was promoted to General Manager.

Mr Yabuki holds a degree in Economics from the Kobe University of Commerce, Japan.

BOARD OF DIRECTORS

Mr Soennerstedt Carl Johan Pontus
Executive Director & Chief Executive Officer

DATE OF APPOINTMENT AS DIRECTOR

5 May 2016

DATE OF LAST RE-ELECTION

26 April 2019

BOARD COMMITTEES SERVED ON

Member of Nominating Committee since 5 February 2018

With effect from 1 March 2018, Mr Soennerstedt was redesignated as Executive Director and appointed as CEO, after having served two years as non-executive independent director and Chairman of the Company.

Between 2014 to 2017, Mr Soennerstedt set up and ran PT Bayon Management, a company engaged in internet consulting and investments in Indonesia. Consulting engagements included online media, law, music and payments, as well as discovery and evaluation of investment targets.

Leading up to Bayon, Mr Soennerstedt was CEO at PT Skybee Tbk, an Indonesian holding company with technology, telecommunications and media subsidiaries. He held liaison positions engaging with SoftBank and SoftBank Ventures Korea, supporting their investment efforts in Indonesia, and was on the investment committee of Indonesian incubator and venture capital firm Ideosource.

Between 2007 and 2012, Mr Soennerstedt identified Indonesia as a key growth opportunity for Yahoo!, coordinated the company's entry into the market and then ran PT Yahoo Indonesia as a Country Manager. Under Mr Soennerstedt's leadership, Yahoo! attracted great talent and became one of the most trafficked and monetized Internet destinations in Indonesia. Today the alumni can be found across the market as successful entrepreneurs and in leading roles in local and international companies.

Prior to Yahoo!, Mr Soennerstedt spent eight years in the mobile phone industry in Asia. From 1999 to 2001 he managed Ericsson's mobile phone business in Vietnam as Director of Consumer Products. He then moved to Singapore with Sony Ericsson, first in a regional sales role covering Indonesia and then as head of business development for APAC EM. In this role, Mr Soennerstedt established as well as managed the company's business and operations in several markets, including Pakistan, Bangladesh, Sri Lanka, Cambodia and Vietnam. Under his management, the operations in these emerging markets transformed from being a marginal business to one turning over several hundred million dollars per year. Mr Soennerstedt was recognized for his contributions to the company's overall performance and growth by twice winning the company's global best market unit performance award.

Mr Soennerstedt served as a mine clearance diver in the Royal Swedish Navy. He holds a degree in International Economics from the American University of Paris.

Ms Evy Soenarjo
Non-Independent Non-Executive Director

DATE OF APPOINTMENT AS DIRECTOR

8 April 2020

DATE OF LAST RE-ELECTION

NA

BOARD COMMITTEES SERVED ON

Member of Audit and Risk Management Committee since 8 April 2020
Member of Remuneration Committee since 8 April 2020

Ms Soenarjo joined the Board of Directors of Polaris Ltd. on 8 April 2020. She brings with her 25 years of broad business experiences across industries and functional roles, including Indonesia-listed company directorships.

Since 2019, Ms Soenarjo has worked as an entrepreneur, pursuing her interests in online business, with a focus on branded preloved luxury goods in the Indonesian market.

Between 1997 and 2019, Ms Soenarjo was working in the telecom industry. She started out in PT. Trikomsel Oke Tbk as finance & accounting manager and moved on to be part of the team developing the OkeShop retail business. She was promoted to Vice President and later appointed as a director in 2001. She managed retail operations and principal relationships, but also handled various assignments and responsibilities across the company. These included human resources, training, legal & general affairs, finance and accounting, as well as product and services business development for the OkeShop Network.

In 2011 she joined PT Global Teleshop, a premium mobile phone retailer in Indonesia, where she managed the operations and led the company's IPO process. Upon successfully becoming a public listed company in 2012, Ms Soenarjo was promoted to President Director and left the company in 2016.In 2013, PT Trikomsel Oke Tbk, after taking a majority shareholding in PT. Global Teleshop Tbk, combined the retail operations, while the retail brands of OkeShop and Global Teleshop remained. She left her second stint as a director running operations and principal relationships in PT Trikomsel Oke Tbk in 2019.

She started out her career in 1995 at PT Tamindo Permaiglass, where she held finance and accounting roles until 1997.

Ms Soenarjo holds a Bachelors Degree of Economics from the University of Satya Wacana Salatiga in Indonesia.

BOARD OF DIRECTORS

Ms Diana Airin
Independent Non-Executive Director

DATE OF APPOINTMENT AS DIRECTOR

8 April 2020

DATE OF LAST RE-ELECTION

NA

BOARD COMMITTEES SERVED ON

Member of Audit and Risk Management Committee since 8 April 2020
Member of Remuneration Committee since 8 April 2020
Member of Nominating Committee since 8 April 2020

Ms Airin joined the Board of Directors of Polaris Ltd. on 8 April 2020. She brings with her 25 years of business experiences in auto financing, banking, offline and online media, with a focus on sales and marketing. She has held several c-suite positions, including an Indonesia-listed company directorship.

In 2019, Ms Airin became an entrepreneur for the second time in her career and started PT Konsultan Strategi Penjualan (Wisdom Crowd) and Sambalauko, a business in her personal name. She is founder of both. The former does digital activations for millennials and is also an event organiser. The latter is in the food and beverage space, producing and distributing pre-cooked condiments.

She is a 20-year veteran of the media industry. Most recently, she was Managing director PT Benten Media Global Televisi (MYTV), and set up the channel from scratch up to a team of 125. The channel was the first of its kind in Indonesia, focusing on empowering women through lifestyle content. She established the sales, marketing, human resources, and programming teams.

In 2017 and 2018, she was chief commercial officer for PT Kapanlagi Network, an Indonesian online media player with a large portfolio of websites targeting millennials.

Between 2009 and 2017, Ms Airin held senior roles across the PT Media Nusantara Citra Tbk (MNC) Group, covering print, radio, online and TV. She started out as a sales and marketing director. Other positions included being CEO of Sindo Media, Deputy CEO of PT MNC Okezone Network (OkeZone.com) and PT MNC Televisi Network (iNews TV), with the most recent role being Director at PT Media Nusantara Citra Tbk, the listed holding company.

Prior to this, she ran Prima Ad, a company she owned, for four years. They published a priority customer magazine for a bank and monetized it via ad-sales. Prima Ad was the first agency in the market to run a bank customer magazine on an outsourced basis. Between 2001 and 2006, Ms Airin was General Manager for sales & marketing at PT. Citra Media Nusa Purnama (Media Indonesia)and PT. Media Televisi Indonesia (Metro TV). She started out her media career at Kompas Gramedia newspaper in 2000 as Vice General Manager, sales and marketing.

Her early ambition was to make a career in the banking industry and started out at PT Federal International Finance, part of Astra International, in 1995 and then moved on to PT Bank HSBC Indonesia where she worked for 2.5 years.

Ms Airin holds a Bachelors Degree of Economics from Tarumanagara University in Indonesia.

CORPORATE PROFILE

Polaris Ltd. ("**Polaris**" or the "**Company**") is a Singapore-based investment holding company and is listed on the Catalist Board of the SGX-ST. Polaris is active in the distribution and retail of smart mobile devices and lifestyle products in Southeast Asia, with extensive operations in Singapore.

The Group is organised into business units based on its products and services.

The distribution segment engages in the distribution of consumer electronics, mobile communication devices and accessories for leading brands. The retail consumer electronics segment engages in the retail sale and services of IT and related products in Singapore. It offers a wide range of electronic products and services from reputable brands such as Apple. The customer service business segment provides after-market services to end consumers for equipment repairs and technical services in Singapore. 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 to synergise and complement the Group's existing offerings, such as the entry into the wholesale and retail of premium lifestyle products.

Polaris's purpose of existence is to enable and enhance connection and services for people in Singapore and across Southeast Asia. Polaris aims to be the brightest provider of connection devices and services and to serve with a caring touch.

We will be the brightest provider by:

- Guiding our customers to make choices that will enhance their lives and businesses.
- Being sought after by Stakeholders by being a transparent and professional organisation.

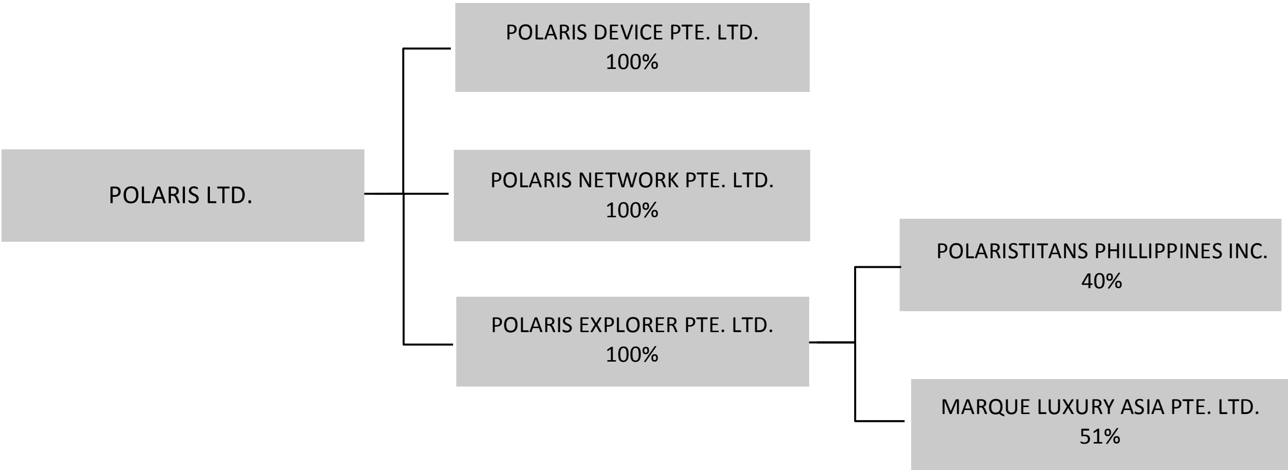
We will deliver with a caring touch by:

- Providing thoughtful service to our customers.
- Creating mutually beneficial relationships with our partners and investors.
- Creating a work environment for our employees where trust, happiness and satisfaction can thrive.

Polaris strongly believes and practices five core values:

- Trust – We are reliable, honest and always deliver what we promise.
- Simplicity – We strive to be clear and meaningful in all that we do.
- Young at heart – We approach our work with a creative, open-minded and positive attitude.
- Caring touch – We treat our people, customers, partners and shareholders with respect, kindness and sincerity.
- Innovation – We innovate with solution(s) when we face challenges and to run our businesses efficiently with productivity.

CORPORATE STRUCTURE



Corporate Structure as at 31 December 2019.

POLARIS KKC HOLDINGS PTE. LTD. and CM POLARIS PTE. LTD. are no longer subsidiaries of the Group following their liquidation on 25 November 2019 and 15 November 2019 respectively. For further information, please refer to the Notes to the Financial Statements.

CORPORATE INFORMATION

Board of Directors	Company Secretary
Mr Ong Kok Wah *Independent Non-Executive Chairman*	Ms Yang Lin
Mr Masahiko Yabuki *Independent Non-Executive Director*	**Registered Office**
Ms Diana Airin *Independent Non-Executive Director*	81 Ubi Avenue 4 #03-11 UB.One Singapore 408830 Tel: +65 6309 9088 Fax: + 65 6305 0489 Website: WeArePolaris.com Email: info@wearepolaris.com
Ms Evy Soenarjo *Non-Independent Non-Executive Director*	**Solicitor**
Mr Soennerstedt Carl Johan Pontus *Executive Director & CEO*	**Morgan Lewis Stamford LLC** 10 Collyer Quay #27-00 Ocean Financial Centre Singapore 049315
Audit and Risk Management Committee	**Continuing Sponsor**
Mr Masahiko Yabuki *Chairman*	**Stamford Corporate Services Pte. Ltd.** 10 Collyer Quay #27-00 Ocean Financial Centre Singapore 049315
Mr Ong Kok Wah	
Ms Diana Airin	
Ms Eny Soenarjo	**Share Registrar**
Remuneration Committee	**M&C Services Private Limited** 112 Robinson Road #05-01 Singapore 068902
Mr Ong Kok Wah *Chairman*	
Mr Masahiko Yabuki	**Independent Auditor**
Ms Diana Airin	**Moore Stephens LLP** 10 Anson Road #29-15 International Plaza Singapore 079903 Partner-in-charge: Mr Ng Chiou Gee Willy Date of appointment: 29 April 2016
Ms Evy Soenarjo	
Nominating Committee	
Mr Ong Kok Wah *Chairman*	
Mr Masahiko Yabuki	
Ms Diana Airin	
Mr Soennerstedt Carl Johan Pontus	

SUSTAINABILITY REPORT

INTRODUCTION

Polaris is pleased to present its third annual Sustainability Report. The report captures Polaris's sustainability effort, performance and strategies over the financial year ended 31 December 2019 ("FY2019"). This report includes the environmental, social and governance ("ESG") performance for our business operations in Singapore and excludes overseas operations unless stated otherwise.

This report has been prepared in accordance with the latest Global Reporting Initiative ("GRI") Sustainability Reporting Guidelines: Core options. We have chosen GRI as the sustainability reporting framework as it is internationally recognized and widely adopted, enabling us to disclose our ESG performance in a comprehensive and comparable manner. The GRI Content Index and the relevant references are provided on pages 19 to 20 of the report. Information presented in this report has been extracted from primary internal records and documents to ensure accuracy. The Board of Directors of the Group (the "Board" or "Directors") oversees the management and monitoring of the Group's strategic direction, its policies and material ESG factors.

REPORTING PRINCIPLES

We have followed the GRI principles for defining the sustainability report content and quality. We have prepared the report having considered stakeholder inclusiveness, Polaris's sustainability context, materiality and completeness. To ensure quality of the report, we have applied the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness in preparing this report.

REPORTING PROCESS

Polaris's Sustainability Committee (the "Committee"), which includes key members of management and executive directors, provides the overall major direction for preparing the report. The Committee's responsibilities include reviewing, assessing and determining the sustainability context, material ESG topics, report content and topic boundaries, scope and prioritisation of issues to be included in the report. The Committee takes into consideration formal and informal feedback received throughout the year from a range of internal and external stakeholders to determine the most relevant material topics to be covered in the report.

REPORTING CYCLE

Our reporting cycle begins with a review of the Company's ESG factors and material topics and their context in light of business environment changes and stakeholder feedback.

FEEDBACK

We welcome feedback from all stakeholders. Please send questions, comments, suggestions or feedback relating to this report or our sustainability performance to **ir@wearepolaris.com.**

INTERNAL ASSURANCE

We relied on our internal review processes in verifying the accuracy of our ESG performance data and the information presented in the report. Such internal review processes include a review by our internal auditors, Ardent Business Advisory Pte. Ltd., and a concurrent review by Management.

PERFORMANCE HIGHLIGHTS

The table below represents a selection of metrics that we track within the organization. These metrics have been selected because they reflect the direct impact of companies' operations on people and the environment. We review our metrics regularly to ensure that we capture the information needed to improve our performance. For example, we have implemented a recycling initiative for Dyson parts in 2018. Going forward, we aim to broaden our performance metrics where necessary and possible.

Strategic Area	FY2018	FY2019
ENVIRONMENT		
Total CO_2e emissions (tonnes)	105	65
Carbon emission intensity per onsite repair job (Tonnes CO_2e)	0.0023	0.0023
Total Energy used (gigajoules)	440	404
Energy Intensity per square metre (gigajoules)	0.304	0.280
Water Consumption (cubic metres)	232.2	246.1
SOCIAL		
Permanent Employees	84%	94%
Local Employees (Singapore Citizen + PR)	83%	86%
Female Employees	40%	41%
Male Employees	60%	59%
SUPPLIERS		
Share of local suppliers as % of total supplier payments	99.1%	99.3%
Proportion of local suppliers	98.1%	90.7%

PRIVACY AND DATA SECURITY

Ensuring the security and confidentiality of our database and customer information is of utmost importance to us. We have implemented a strict Personal Data Protection Policy and will take any necessary measures to protect our customers' personal data. The privacy of our customers is important to us and we are bound by the Personal Data Protection Act 2012 ("PDPA"). We regularly review our customer privacy and data protection processes to ensure compliance.

As Polaris operates retail stores under Apple and Dyson Customer Service Centres, we strictly follow and adhere to their personal data protection policies and procedures.

Our detailed Personal Data Protection Policy is available on the WeArePolaris and Polarisepp website.

STAKEHOLDER ENGAGEMENT

At Polaris, we develop our sustainability strategy by gathering stakeholder feedback on issues that are material to them and our business. We have identified our stakeholders based on importance, responsibility, dependency and proximity. We view stakeholder engagement as a continual process and not a one-off event. We adopt both formal and informal channels of communication to understand the needs of key stakeholders, and incorporate these into our corporate strategies to achieve mutually beneficial relationships.

We continuously seek to improve communication with our stakeholders and consider their inputs and feedback in our business strategy. This helps us to develop better trust and understanding with our stakeholders and strengthens our partnership as well. As a result of such communication and engagement with our stakeholders, we have identified their respective key concerns as detailed below.

Stakeholder	Key Concern of Stakeholders	Communication Channel	Our Strategy	Frequency of Engagement
Shareholders & Investors	• Transparency • Timely information on company progress and status • Profitability	• Board Meetings • Email correspondence • Annual General Meeting	• Engaging board and Stakeholders face to face through emails	• Annually, half yearly (results announcements) or when needed (other announcements)
Employees	• Diversity and equal opportunities • Training and Career development • Employment benefits	• Reporting systems	• Manage Work Environment • Review employment benefits	• Annually or occasionally
Customers	• Product / Service quality • Safe product use • Correct product information • Transparent communication	• Call centres • Social media communications • Retail stores • Email correspondence • Customer satisfaction surveys conducted by external organizations	• Strengthen the quality and safety management system • Provide accurate product information • Gather and address the voice of customers	• Daily or when needed
Suppliers	• Compliance with terms and conditions of prevailing purchasing policies and procedures • Appropriate Costs	• Quotations • Request for proposals • Email correspondence • Teleconferences	• Establish policies and practices that ensures a fair selection and procurement process, ethical business practices and respect for contractual obligations	• Annually or when needed
Resellers / Distributors	• Timely delivery • Quality assurance • After-sales support • Strong collaboration • Good customer experience	• Shop visits • Email correspondence • Regular meetings	• Proactive sales planning • Providing sales/marketing support • Regular visits	• Annually or when needed
Business Partners	• Partnerships for business growth and opportunities	• Frequent discussions • Teleconferences • Email correspondence	• Work with reputable company partners	• Annually or when needed

Government & Regulators	• Adherence to regulations • Prompt resolutions to issues • Reporting of any service issues as required by regulators	• Discussions with relevant agencies and departments	• Comply with applicable laws • Putting in place policies and procedures to ensure compliance	• Half yearly (results announcements) or when needed (other announcements)
Media	• Exposure and access to company development and news • New products / services / entertainment and related content	• Invitation to media events	• Providing timely and accurate information on product releases	• Occasionally or when needed

OUR MATERIALITY TOPICS

We have identified material topics for reporting based on the significance of our ESG and economic impacts, the risks and opportunities involved, and the degree of influence where we see the most potential for creating maximum value for our shareholders and stakeholders. In order to ensure an accurate determination of material issues, we undertook a process of identification, prioritisation and validation with our management team. We are also working on our risk assessment policy in respect of our sustainability strategies and operations, and are considering various options to improve in our efforts to develop a more comprehensive policy going forward.

Each sustainability factor is assigned a reporting priority that determines the actions required, as illustrated below:

Description	Criteria
High	Factors with high reporting priority are reported in detail.
Medium	Factors with medium reporting priority are considered for inclusion in the Report.
Low	Factors with low reporting priority may be reported to fulfil regulatory requirements.

A summary of Polaris's material ESG and economic issues, our mission, where the impact occurs and the corresponding time horizons, and our involvement in respect of such impact is presented in the table below. A more detailed discussion on each of the material issues, including the management approach, will be covered in the respective chapters of this report.

Material Issues	Mission	Prioritization of Topics	Where impact occurs / Time horizons	Polaris Involvement
ENVIRONMENT				
Energy Efficiency	Lower ecological footprint and reduced energy cost	Medium	Within Organization and Environment / Long term	Direct
Climate Change and Carbon Emission	Lower carbon footprint	Medium	Within Organization and Environment / Long term	Direct
Waste minimisation	Lower pollution	Medium	Within Organization and Environment / Long term	Direct
SOCIAL				
Talent Attraction and Retention	Increase company morale, gives employee a sense of pride, lower turnover rate and reduce hiring costs, creates employee satisfaction	High	Within Organization and Community / Short to Medium term	Direct
Training and Education	Increase productivity, grow and nurture employees, innovative problem-solving, strengthen skills and knowledge	High	Within Organization and Community / Short to Medium term	Direct
Diversity and Equal Opportunity	Create an inclusive and non-discriminating environment	High	Within Organization and Community / Long term	Direct
Marketing and Labelling	To uphold the highest standards of professional values and integrity and build trust through transparency	Medium	Within Organization, Customers, Distributors and Suppliers / Short to Medium term	Direct
Community Development	Goodwill of community, trusted relations with society, stronger brand equity and respect	Medium	Within Organization, Customers and Community / Short to Medium term	Direct & Indirect
Employee Volunteering	Greater employee engagement, enhance job satisfaction, stronger community engagement	Medium	Within Organization, Customers and Community / Short to Medium term	Direct & Indirect
ECONOMIC				
Anti-corruption	Uphold and adhere to Group's zero tolerance policy towards fraud, corruption and unethical conduct	High	Within Organization, Communities and Investors / Long term	Direct
Procurement Practices	To continuously support local suppliers	Medium	Within Organization, Suppliers, Distributors, Investors / Long term	Direct
GOVERNANCE				
Board Diversity	Holistic guidance to the Company	High	Within Organization and Investors / Long term	Direct
Risk Management and Internal Controls	Effective risk taking and management, aligned with the organization's business objectives	High	Within Organization and Investors / Long term	Direct
Whistle-blowing Policy	Mitigate business risks and Fraud prevention	High	Within Organization and Investors / Long term	Direct

OUR ENVIRONMENTAL EFFORTS

Carbon Emissions

We believe in progressively reducing our organization's carbon footprint by improving energy efficiency and minimising energy consumption. Polaris's greenhouse gas ("GHG") emission is attributed to the use of electricity, diesel and petrol. In FY2019, our emission intensity was calculated at 0.0023 tonnes CO_2e per onsite repair – the same as in the preceding year.

Energy Efficiency

Our management approach is to conserve energy consumption in our daily operations. Electricity that is used to power our office buildings and retail outlets has contributed to the majority of our energy consumption. Other notable consumption components include petroleum or diesel that is used for transportation and logistics.

Compared to FY2018, our total energy consumption in FY2019 has dropped by 8.1%. A comparison chart in respect of our energy consumption for FY2018 and FY2019 is depicted in Figure 1 as shown below:

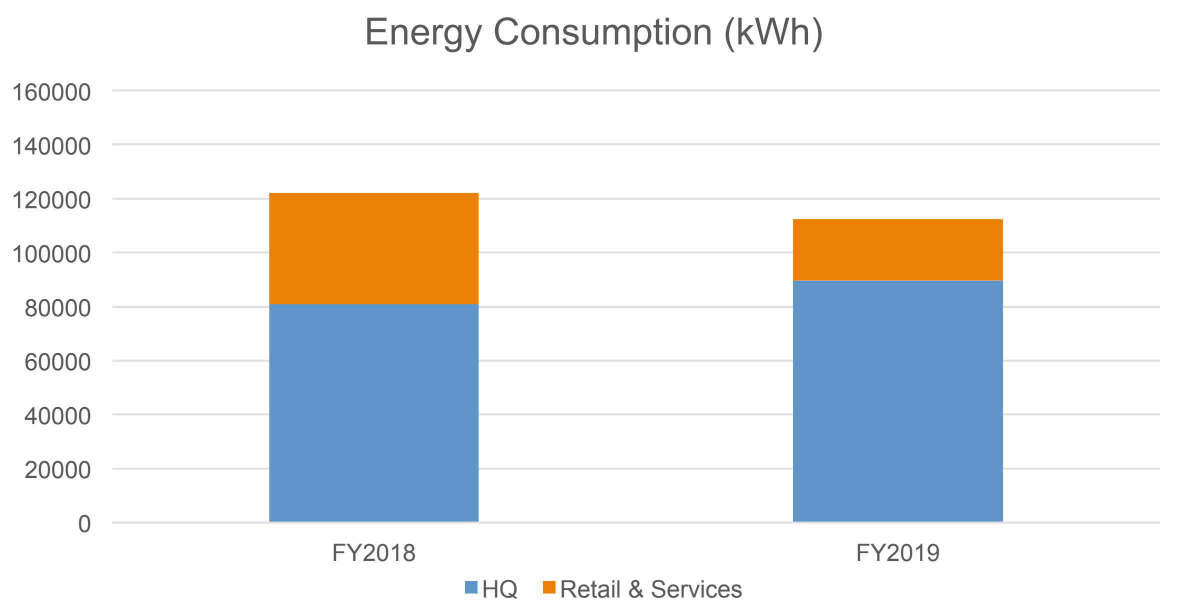


Figure 1

Waste Minimisation

Our management approach is to reduce, reuse and recycle waste wherever possible throughout our daily operations. Waste from our operations includes paper and packaging waste. Over the years, Polaris has implemented several other initiatives to reduce printed marketing materials. For instance, we have switched to sending e-cards during festive seasons from the conventional printed greeting cards. Empty ink cartridges are consolidated and returned to suppliers on a bimonthly basis. Packaging waste is also consolidated and recycled on a weekly basis.

Continuing from FY2018, we have expanded our recycling process for Dyson parts. Recycling greatly reduces the emission of many greenhouse gases and water pollution, which are often by-products of waste disposal and destruction, and saves energy. The faulty parts, which consist of Printer Circuit Boards (PCBs), motors and electrical cables extracted from fans and vacuums, are consolidated on a monthly basis and recycled by separating them into e-waste, plastics and metal from general waste daily.

With this process, it helps to reduce the pollution otherwise caused by the extraction and processing of virgin materials. Also, when products are made using recycled rather than virgin materials, less energy is used during manufacturing, and fewer pollutants are emitted.

We also practice the proper disposal of waste by separating the faulty parts (which cannot be recycled meaningfully) and having them disposed of by a credible disposal company. All disposals will be completed with a certificate of destruction issued by the said disposal company.

OUR WORKPLACE (SOCIAL)

Polaris practices fair employment and is aligned with the Tripartite Alliance for Fair Employment guidelines. Our human resource policies are aimed at providing a fair performance-based work culture that is diverse, inclusive and collaborative. We also encourage our people to reach their fullest potential and provide them with a fulfilling and meaningful career.

As at 31 December 2019, our workforce consists of 49 employees. Permanent employees represented 94% of the total headcount. Singapore citizens and Permanent Residents ("PRs") are the top priority during the employee selection process. With reference to the performance highlights on page 11, the percentage of local employees (Singapore citizens and PRs) employed by us has increased from 83% to 86% between FY2018 and FY2019. In terms of the gender diversity of our workforce as of December 2019, 59% of the workforce was male, while the remaining 41% was female. Employees with managerial or supervisory roles accounted for 22% of our workforce.

Talent Attraction and Retention

We believe investing in our people is crucial to the success of a business. We manage our human capital investment by attracting and nurturing the right talent, as well as caring for their professional growth and personal well-being during their employment with us. This can be attested by Polaris's low staff attrition rate.

In addition, we continue to leverage our partnership with the Institute of Technical Education (ITE) to support work-study programmes, providing traineeship opportunities to students as part of their course modules. This programme is designed to prepare students for the future workforce by equipping them with employable, real-world skills and experiences, whilst allowing them to complete their studies.

Polaris conducts annual performance appraisals and quarterly career development reviews for our employees as part of the performance management system. Managers are equipped with relevant skills to conduct effective performance appraisals with their teams.

Training and Education

With the rapid changes in our industry, it is important for our people to keep updated on the latest industry developments. At Polaris, we encourage and aim to provide all employees with equal opportunities for training and upgrading. We believe that learning and training is an important, continuous and life-long process so that employees are equipped with the competencies needed to meet current and future business needs. This includes workshops, seminars, conference, in-house company training and on-the-job training.

In FY2019, we arranged a number of courses and training opportunities to enhance productivity and adherence to quality standards. Through this, we believe that our employees are able to develop skill sets that allow them to undertake a greater variety of work and are better able to implement and realise specific goals outlined in a company's business plan. Internally, we conduct a Microsoft Excel 2016 Basix course for the benefit of our retail employees to boost their productivity and improve quality of work. External courses include training in Wordpress Essential Training, Illustrator, Photoshop, and InDesign. These external courses are mainly arranged for our sales and marketing teams to better enable them to create professional business websites and design marketing collaterals and professional ads.

With a renewed focus on training opportunities in FY2019, it was only appropriate that we raised "training and education", as an ESG issue, to one of "high" priority as compared to 2018 when it was regarded as "medium" priority. We strongly believe that it is important to continuously provide our employees with the correct training. This, in return, allows the business to be cost-effective, increasing credibility and expertise, as well as improving job satisfaction, and creates a competitive edge in the market.

Diversity and Equal Opportunity

We believe that creating a diverse workplace environment is essential to building and sustaining our competitive advantage. Such diversity fosters innovative thinking and helps tackle business challenges through different perspectives.

Moreover, we strive to offer equal opportunities in hiring, career advancements, promotions and remuneration based on merit and experience irrespective of gender, age, racial, ethnic or cultural background. Female employees account for 41% of our total workforce.

Marketing and Labelling

Polaris recognises that fair marketing practices and being transparent in the way we communicate can build trust and loyalty among our customers, partners and suppliers. We adhere to strict marketing codes to ensure that all marketing activities comply with the various laws and guidelines such as the Singapore Code of Advertising

Practice, the Info-communications Media Development Authority's Codes of Practice and Guidelines, and the PDPA.

In FY2019, we have not identified any non-compliance with regulations and/or voluntary codes concerning information and labelling, or marketing communications including advertising, promotion and sponsorships in relation to products and services that we offer.

Moving forward, we strive to maintain the quality of our products and services as well as retail and distribution channels by choosing the right type of products and services to fit our business model. Quality checks will also be continuously deployed by our staff to ensure compliance with applicable regulations relating to marketing and labelling in the markets we operate.

Community Development and Employee Volunteering

We encourage our employees to participate in community and environmental initiatives through volunteering, and supported several community initiatives throughout the year. We are grateful to do our part to serve and contribute to our society so as to improve the lives of others. Our key community involvement programme in 2019 is described below.

Willing Hearts

We were given an opportunity to volunteer at Willing Hearts for a day, where we prepared and delivered meals to the beneficiaries. Willing Hearts is a non-profit organization ran almost entirely by volunteers, apart from a handful of staff. It operates a soup kitchen that prepares, cooks and distributes about 5,000 daily meals to over 40 locations island wide, 365 days a year. Beneficiaries include the elderly, disabled, low income families, children from single parent families or otherwise poverty-stricken families, and migrant workers in Singapore.

OUR ECONOMY

Our management approach is to create value for our shareholders and stakeholders by ensuring sustainable growth for our business. We are focused on adopting strategies that maximise shareholder returns while creating environmental, social and economic value for our stakeholders. In 2019, the company entered the resale space of premium lifestyle products, riding the global trend of increased interest in used products.

We regularly review our management approach in view of the business goals, stakeholder expectations and the actual performance to evaluate effectiveness.

Anti-Corruption

Polaris adheres to a zero-tolerance policy on fraud and unethical conduct including corruption and bribery. A whistle-blowing process is in place and supported. There was no reported incident of corruption in the reporting period. For more information on the whistle-blowing process, please refer to our Whistle-Blowing Policy as described in the Corporate Governance section on page 34.

Board Diversity

The Board recognises that board diversity is an important element which will better support the Company's achievement of its strategic objectives for sustainable development by enhancing the decision-making process of the Board through varied perspectives, skills, experience, gender, age, knowledge and professional qualifications.

Risk Management and Internal Controls

The Company's internal auditors conduct an annual review of the effectiveness of the Company's material internal controls, including financial, operational, compliance and information technology controls, and a risk assessment at least annually to ensure the adequacy of the same.

Procurement Practices

Polaris adopts a fair business trading framework and procures from suppliers who conduct business ethically.

With the extensive varieties and range of products to procure from different sectors of suppliers, we have stringent procurement processes in place to ensure good corporate governance and compliance with anti-bribery and corruption rules and regulations. Our multi-tiered approval process ensures that each level of approval will take into consideration the suppliers' capabilities, consistency, product quality, reliability and price to ensure that we are operating within high ethical standards.

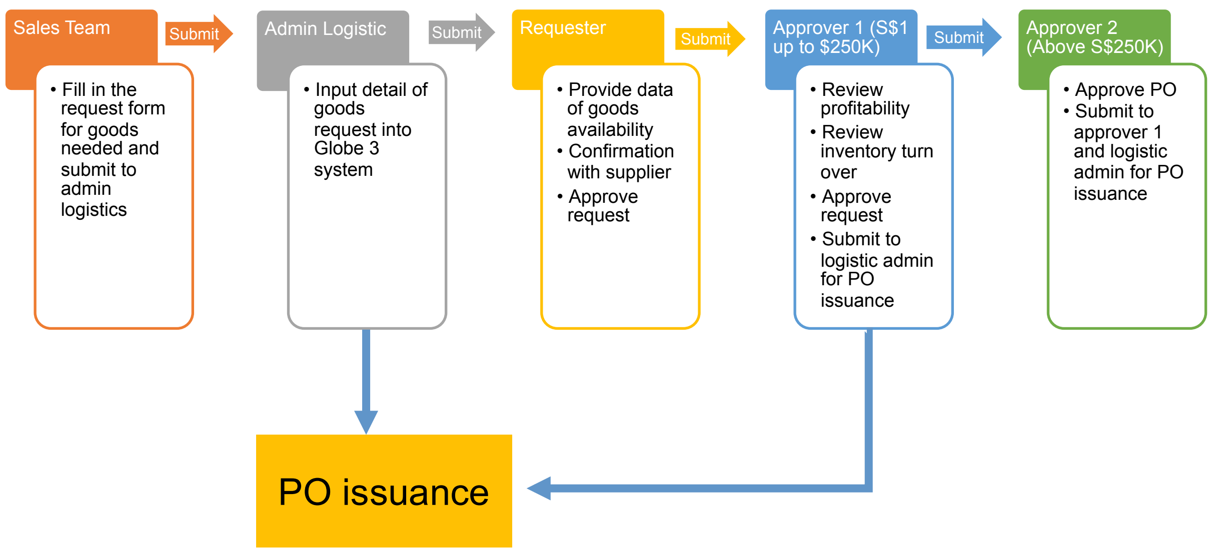
SUSTAINABILITY REPORT

Our procured products and supplies are from brands which the business units are representing, such as Apple, Dyson and MakeBlock, and other suppliers for products such as computer accessories, lifestyle and audio devices.

We encourage and support local business. In FY2019, our total purchase spending was approximately S$36.2 million, an increase of 72.38% from the preceding year. Out of our 117 vendors, only one was from overseas import as we represent the brand as its distributor in Singapore. The overseas vendor comprised 0.85% of our total purchases.

We work actively to combat corruption in all of its forms, which include bribery, unfair competition, conflicts of interest, fraud, embezzlement and unlawful kickbacks. Our senior management lead by example and aim to foster a workplace culture with zero-tolerance for bribery, fraud, embezzlement and unlawful kickbacks. In addition, our HR department is tasked with overseeing the policy because they are aware of relevant employee-related legislation in terms of unfair competition and conflicts of interest. Relevant details are highlighted in the letter of appointment for new employees.

All procurement is processed through our Enterprise Resource Planning system with its multi-tiered approval process, whereby up to three levels of approving officers are required to approve and sign off on the issuing of Purchase Orders in the system. This is to address conflicts of interest and ensure the correct latest purchase price, as illustrated in the diagram, below.



As an integral part of supply chain management, we diligently sort out the delivered goods packaging and ensure that they are disposed of in an environmentally-responsible manner.

We also continually look at improving our warehousing and storage spaces to ensure better workplace safety and health.

GRI CONTENT INDEX
'In accordance' – Core

GRI Standard	Disclosure	Page Reference
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GRI 102: Organizational Profile		
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102-2	Activities, brands, products, and services	
102-3	Location of headquarters	
102-4	Location of operations	
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102-7	Scale of the organization	Pg 16, Our Workplace (Social)
102-8	Information on employees and other workers	
102-9	Supply Chain	Pg 17, Our Economy
102-10	Significant changes to the organization and its supply chain	
102-11	Precautionary Principle or approach	
GRI 102: Strategy		
102-14	Statement from Senior Decision-maker	Pg 2-3, Letter to Shareholders
102-15	Key impacts, risks and opportunities	
GRI 102: Ethics and integrity		
102-16	Values, principles, standards, and norms of behaviour	Pg 7, Corporate Profile
GRI 102: Governance		
102-18	Governance Structure	Pg 21, Corporate Governance
GRI 102: Stakeholder Engagement		
102-40	List of Stakeholder groups	Pg 12-13, Stakeholder Engagement
102-42	Identifying and selecting stakeholders	
102-43	Approach to Stakeholder engagement	
102-44	Key Topics and concerns raised	
GRI 102: Reporting Practice		
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102-46	Defining report content and topic boundaries	Pg 14, Our Materiality Topics
102-47	List of material topics	
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102-52	Reporting cycle	Pg 10, Reporting Cycle
102-53	Contact point for questions regarding the report	Pg 10, Feedback
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103-2	The management approach and its components	Pg 17, Our Economy – Anti-Corruption
205-2	Communication and training about anti-corruption policies and procedures	
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103-2	The management approach and its components	Pg 15, Our Environmental Efforts - Energy
103-3	Evaluation of the Management Approach	
302-1	Energy Consumption within organization	
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302-4	Reduction of energy consumption	Pg 15, Our Environmental Efforts - Energy

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103-3	Evaluation of the Management Approach	
305-4	GHG Emissions Intensity	Pg 11, Performance Highlights
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The Board of Directors (the "**Board**" or **"Directors"**) of Polaris Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") are fully committed to maintaining high standards of corporate governance and recognises the importance of good corporate governance and the offering of high standards of accountability to shareholders.

This report outlines the Company's corporate governance processes and activities with specific reference made to each of the principles and provisions of the Code of Corporate Governance (the "**2018 Code**") issued on 6 August 2018 as applied to annual reports of issuers listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") covering financial years commencing from 1 January 2019. The Company is generally in compliance with the principles and provisions as set out in the 2018 Code and in areas where there are deviations from the 2018 Code, appropriate explanations are provided within this report. The Board considers that the alternative corporate governance practices are sufficient in meeting the underlying objective of the 2018 Code. Please read this report with other sections of the Annual Report.

(A) BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board's primary role is to protect and enhance long-term shareholder value. The Board sets the overall strategy for the Group and supervises the management of the Company (the "**Management**"). To fulfil this role, the Board sets the Group's strategic direction, establishes goals for the Management and monitors the achievement of these goals, thereby taking responsibility for the overall corporate governance of the Group.

In addition to its statutory duties, the Board's principal functions are:

a. establish the overall business direction of the Group, with specific emphasis on business expansion and synergies;
b. oversee the processes of evaluating the adequacy of internal controls, risk management, financial reporting and compliance, including safeguarding of shareholders' interests and the Company's assets;
c. approve major investment and divestment proposals, material acquisitions and disposal of assets, major corporate policies on key operations, annual budget, the release of the Group's quarterly and full year results and interested person transactions of a material nature;
d. identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;
e. assume corporate governance practices directly or through the respective Board Committees (as defined below); and
f. consider sustainability issues e.g. environmental and social factors, as part of its strategic formulation.

All Directors exercise due diligence and independent judgment, and are obliged to act in good faith as fiduciaries and consider at all times the best interests of the Company.

Our Directors are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Company has adopted a set of Approving Authority & Limit Guidelines (the "**Guidelines**"), setting out the level of authorisation required for specified transactions, including those that require Board approval. Under the Guidelines, new investments or divestments and all commitments to banking facilities granted by financial institutions to the Company require the approval of the Board. For instance, the Board had approved the liquidation of the Company's subsidiaries, Polaris KKC Holdings Pte. Ltd. and CM Polaris Pte. Ltd., and the investment in a joint venture company, Marque Luxury Asia Pte. Ltd., in FY2019.

To assist the Board in executing its responsibilities, the Board has delegated specific functions to the Audit and Risk Management Committee ("**ARMC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (together, the "**Board Committees**", and each a "**Board Committee**"). These Board Committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis to ensure their continued relevance. The effectiveness of each Board Committee is also constantly monitored. Minutes of the Board Committee meetings are available to all Board members.

The Board currently holds at least two (2) scheduled meetings each year. In addition, it holds additional meetings at such other times as may be necessary to address specific significant matters that may arise. Important matters concerning the Group are also put to the Board for its decision by way of written resolutions. The Company's constitution (the "**Constitution**") has provisions for Board meetings to be held via telephone or videoconference.

A record of the Directors' attendance at meetings of Board and Board Committees for the financial year ended 31 December 2019 ("**FY2019**"), as well as the number of such meetings, is set out as follows:

	Board	ARMC	NC	RC
No. of meetings held	4	4	1	1
No. of meetings attended by respective Directors				
Ong Kok Wah	3	4	1	1
Masahiko Yabuki	4	4	1	1
Soennerstedt Carl Johan Pontus	4	4*	1	1*
Ong Soon Hwee, Gary[1]	3	3*	1*	1*
Diana Airin[2]	-	-	-	-
Evy Soenarjo[3]	-	-	-	-

* *By invitation*
[1] *Mr Ong Soon Hwee, Gary resigned as an Executive Director and Chief Operating Officer on 30 September 2019*
[2] *Ms Diana Airin has been appointed as an Independent Non-Executive Director on 8 April 2020*
[3] *Ms Evy Soenarjo has been appointed as a Non-Independent Non-Executive Director on 8 April 2020*

The Directors are updated regularly with changes to the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), the Group's policies on risk management, corporate governance, insider trading and key changes in the relevant regulatory requirements, financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as Board or Board Committee members.

News releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Directors are circulated to the Board. The Company Secretary would inform the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company. Such conferences and seminars as well as other training courses will be arranged and funded by the Company for all Directors. Annually, the external auditors will also update the ARMC and the Board on new and revised financial reporting standards that are applicable to the Company or the Group.

Newly appointed Directors will receive appropriate training in corporate governance, if required. The Group has instituted an orientation program for new directors to familiarise them with the Group's core business and governance practices. Further, any director who has had no prior experience as a director of a listed company is required to undergo training in the roles and responsibilities of a listed company director. The Group also provides background information about its history, mission and values to its Directors. In addition, the Management regularly updates and familiarizes the Directors on the business activities of the Company during Board meetings. Directors will also be given opportunities to visit the Group's operational facilities and meet the Management so as to gain a better understanding of the Group's business.

A formal letter of appointment would be furnished to every newly-appointed director upon their appointment explaining, amongst other matters, their roles, obligations, duties and responsibilities as a member of the Board.

The Board is provided with complete and adequate information in a timely manner prior to Board meetings and is kept informed of on-going developments within the Group. Board papers are generally made available to Directors in a timely manner, before the Board and Board Committee meetings, and would include financial management reports, reports on performance of the Group, papers pertaining to matters requiring the Board's decision, updates on key outstanding issues, strategic plans and developments in the Group. This is to enable the Directors to be properly briefed on matters to be considered at Board and Board Committee meetings to enable them to make informed decisions and discharge their duties and responsibilities.

The Company has an on-going budget for all directors to attend appropriate courses, seminars and conferences for them to stay abreast of the relevant business developments and to develop and maintain their skills and knowledge at the Company's expense. These include programmes run by the Singapore Institute of Directors or other training institutions.

The Directors have separate and independent access to the Company Secretary at all times to address any enquires they may have. The Company Secretary or his/her nominee attends all Board and Board Committee meetings and is responsible for ensuring that established procedures and all relevant requirements of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") and the Catalist Rules that are applicable to the Company are complied with. The Company Secretary assists the Chairman by preparing meeting agendas, attending Board and Board Committee meetings and preparing minutes of all Board and the Board Committee proceedings. Under the direction of the Chairman, the Company Secretary, with the support of the management staff, ensures good information flows within the Board and the Board Committees and between senior management and non-executive directors, advising the Board on all governance matters, as well as facilitating orientation and assisting with professional development as required.

The appointment and removal of the Company Secretary is subject to the Board's approval.

The Board is informed of all material events and transactions as and when they occur. All analysts' and media reports, if any, on the Group are forwarded to the directors on an on-going basis.

The Board has separate, independent and unrestricted access to the senior management of the Group at all times. Requests for information from the Board are dealt with promptly by the senior management.

The Board seeks independent professional advice as and when necessary to enable it to discharge its responsibilities effectively. The Directors, whether as a group or individually, may seek and obtain legal and other independent professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil their roles and responsibilities as directors.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The Board comprises five (5) Directors of whom three (3) are Independent Non-Executive Directors, one (1) as Non-Independent Non-Executive Director and one (1) as Executive Director. A summary of the current composition of the Board and the Board Committees is set out as follows:

Name of Director	Board	ARMC	NC	RC
Ong Kok Wah	Independent Non-Executive Chairman	Member	Chairman	Chairman
Masahiko Yabuki	Independent Non-Executive Director	Chairman	Member	Member
Soennerstedt Carl Johan Pontus	Executive Director and CEO	-	Member	-
Diana Airin[1]	Independent Non-Executive Director	Member	Member	Member
Evy Soenarjo[2]	Non-Independent Non-Executive Director	Member	-	Member

[1] *Ms Diana Airin has been appointed as an Independent Non-Executive Director on 8 April 2020*
[2] *Ms Evy Soenarjo has been appointed as a Non-Independent Non-Executive Director on 8 April 2020*

There is presently a strong and independent element on the Board, with Independent Directors making up a majority of the Board. The Company is in compliance with Provision 2.3 of the 2018 Code that Non-Executive Directors make up a majority of the Board.

The NC adopts the definition in the 2018 Code as to what constitutes an Independent Director. Accordingly, the NC considers an "independent" Director as one who is independent in conduct, character and judgment, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of the Company. The NC has completed its annual review on the independence of each Independent Director and is of the view that these Directors are independent. The Board has reviewed and confirmed the independence of the independent directors. There are no Independent Directors who are deemed non-independent by the Board, notwithstanding the existence of a relationship as stated in the 2018 Code that would otherwise deem him not to be independent.

Save for Mr Ong Kok Wah ("**Mr Ong**"), our Independent Non-Executive Chairman, who has served beyond nine (9) years since the date of his first appointment, there is no other Independent Director who has served on the Board beyond nine (9) years from the date of his first appointment.

Notwithstanding that Mr Ong has served beyond nine (9) years since the date of his first appointment, the Board is of the view that Mr Ong is independent as he has:

- contributed constructively and objectively throughout his term in the Company;

- sought clarification and amplification of matters from time to time as he deemed fit, including through direct access to key management personnel; and
- provided impartial advice and insights and has exercised his strong independent character and judgement in doing so.

The following assessments were conducted and deliberated by the Board before arriving at the conclusion:

- review of Board and Board Committee meetings minutes to assess questions and voting actions of the respective Independent Directors;
- declarations of independence; and
- board committee performance assessment done by the Directors.

Accordingly, the NC and the Board has determined that Mr Ong's tenure in office has not affected his independence and ability to bring independent and considered judgement to bear in his discharge of his duties as Non-Executive Chairman, Chairman of the NC and the RC, and member of the ARMC.

The Board notes that, with effect from 1 January 2022, Mr Ong would have to comply with the requirements of Rule 406(3)(d)(iii) of the Catalist Rules for the purposes of continuing to be designated as an Independent Director and the Company will take the necessary steps, where appropriate, to comply with such requirements.

Non-Executive Directors and Independent Directors exercise no management functions in the Group. Although all the Directors have equal responsibility for the performance of the Group, the role of the Non-Executive Directors and Independent Directors is particularly important in ensuring that the strategies proposed by the Management are fully discussed and rigorously examined, and take into account the long-term interests of not only the Shareholders, but also of the employees, customers, suppliers and the communities in which the Group conducts its business, in reviewing the performance of Management in meeting agreed goals and objectives, and monitoring the reporting of performance. The NC considers the Non-Executive Directors and Independent Directors to be of sufficient calibre and their views to be of sufficient weight such that no individual or a small group of individuals dominates the Board's decision-making process.

Non-executive directors and independent directors are scheduled to meet regularly, and as warranted, in the absence of key management personnel to discuss concerns or matters such as the effectiveness of Management.

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. Pursuant to the Board Diversity Policy, on an annual basis, the NC will review the appropriateness of the current Board size and composition, taking into consideration the changes in the nature and scope of operations as well as the regulatory environment of the Group and, where appropriate, makes recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that there is an appropriate composition of members of the Board with suitably diverse backgrounds to meet the Group's operational and business requirements.

The Board recognises the importance of an appropriate balance and diversity of skills, experience, gender, age, knowledge and professional qualifications in building an effective Board. For this purpose, the NC reviews the Board's collective skills matrix regularly.

The current Board comprises persons who, as a group, have the necessary core competencies in areas such as accounting, finance, business and management experience, industry knowledge, strategic planning and customer-based experience and knowledge to lead and manage the Company. The diversity of the directors' experience allows for the useful exchange of ideas and views. The profile of all Board members is set out in the section entitled 'Board of Directors' of this annual report.

The current Board composition provides a diversity of skills, experience and knowledge to the Company as set out in the table below:

	Number of Directors	**Proportion of the Board (%)**
Core Competencies		
- Accounting or finance	3	60
- Business management	5	100
- Relevant industry knowledge or experience	4	80
- Strategic planning experience	5	100
- Customer based experience or knowledge	5	100

The Independent Non-Executive Directors have met at least once without the presence of Management in FY2019 to discuss matters such as internal controls, Board processes and succession plans.

Chairman and Chief Executive Officer ("CEO")

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Board has adopted the recommendation of the 2018 Code to have separate persons appointed as Chairman and the CEO. This is to ensure an appropriate balance of power, increased accountability and greater capacity for the Board to exercise independent decision-making. The division of responsibilities between the Chairman and the CEO is clearly established, set out in writing and agreed by the Board.

The Chairman of the Board and the CEO are separate persons. The Chairman of the Board is an independent director who is not part of the management team nor is he an immediate family member of the CEO.

The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual exercising any considerable power or influence. Further, the ARMC, RC and NC are chaired by independent directors.

Mr Soennerstedt Carl Johan Pontus ("**Mr Soennerstedt**") is the Executive Director and CEO of the Company. His responsibilities include the execution of strategic business directions as well as the overseeing of the day-to-day business operations and business development of the property and investment holding segments of the Group.

Mr Ong Kok Wah is an Independent Non-Executive Director of the Company and was appointed as Chairman of the Board on 1 March 2018. He is consulted on the Group's strategic direction and formulation of policies. The Chairman also ensures the smooth running of the Board.

As Chairman, Mr Ong is responsible for, amongst other things, exercising control over the quality, quantity and timeliness of the flow of information between the Management and the Board, and ensuring compliance with the Company's guidelines on corporate governance along with promoting high standards of corporate governance.

The Chairman is also responsible for, amongst other things, effectively representing the Board to the shareholders, ensuring that Board meetings are held when necessary, setting the Board meeting agenda in consultation with the Company Secretary, acting as facilitator at Board meetings and maintaining regular dialogue with the Management on all operational matters. At annual general meetings and other shareholders' meetings, the Chairman ensures constructive dialogue between shareholders, the Board and the Management.

The Chairman also promotes a culture of openness and debate at the Board, ensuring that the Directors receive complete, adequate and timely information, and facilitates the effective contribution of Non-Executive Directors in particular.

The Company did not appoint a lead independent director given that the majority of the Board and the Chairman are independent.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC, regulated by a set of written terms of reference, comprises four (4) members, the majority of whom, including the Chairman, are independent non-executive directors. The NC meets at least once a year. The members of the NC are as follows:

1. Ong Kok Wah (Chairman, Independent Non-Executive Director)
2. Masahiko Yabuki (Member, Independent Non-Executive Director)
3. Soennerstedt Carl Johan Pontus (Member, Executive Director)
4. Diana Airin (Member, Independent Non-Executive Director)

The NC is responsible for:

a. The review of structure, size and composition of the Board and the Board Committees;
b. The review of succession plans for the Board Chairman, Directors, CEO and members of senior management;
c. The development of a transparent process for evaluating the performance of the board, its Board Committees and Directors, including assessing whether Directors are able to commit enough time to

discharge their responsibilities and the maximum number of listed company Board representations which a Director may hold;

d. The review of training and professional development programmes for the Board and its Directors;
e. The appointment and reappointment of all directors (including any alternate directors, if any); and
f. The review and confirmation of the independence of each Director.

The NC is also responsible for identifying and recommending new board members to the Board, after considering the necessary and desirable competencies of the candidates which include:

a. academic and professional qualifications;
b. industry experience;
c. number of other directorships;
d. relevant experience as a director; and
e. ability and adequacy in carrying out required tasks.

The NC leads the process for board appointments and makes recommendations to the Board. The integrated process of appointment includes:

a. developing a framework on desired competencies and diversity on the Board;
b. assessing current competencies and diversity on the Board;
c. developing desired profiles of new directors;
d. initiating search for new directors including personal networks and external searches, if necessary;
e. shortlist and interview potential director candidates;
f. recommending appointments and retirements to the Board; and
g. election at general meeting.

New Directors are appointed by way of a Board resolution following which they are subject to re-election at the next Annual General Meeting of the Company (“**AGM**”).

In accordance with the Company’s Constitution, one-third, or if their number is not a multiple of three (3), the number nearest to one-third of the Directors are required to retire from office by rotation at each AGM (provided that no Director holding office as managing director shall be subject to retirement by rotation or be taken into account in determining the number of Directors to retire). Newly appointed Directors will hold office only until the next AGM following their appointments and they shall be eligible for re-election. Such Directors are not taken into account in determining the number of Directors who are to retire by rotation at that meeting. In any case, pursuant to Rule 720(4), all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years.

In making recommendations for the selection, appointment and re-appointment of Directors, the NC evaluates the composition and progressive renewal of the Board and the Director’s competencies, commitment, contribution and performance, such as his/her attendance at meetings of the Board or Board Committees, and, where applicable, his preparedness, participation, candour and any other special contributions.

Each member of the NC has abstained from reviewing and approving his or her own re-election.

The NC has recommended to the Board that Mr Masahiko Yabuki be (“**Mr Yabuki**”) be nominated for re-election at the forthcoming AGM in accordance with Article 86 of the Company’s Constitution. Ms Diana Airin (“**Ms Airin**”) and Evy Soenarjo (“**Ms Soenarjo**”) will also be nominated for re-election at the forthcoming AGM in accordance with Article 93 of the Company’s Constitution.

In making the recommendations, the NC has considered Mr Yabuki’s, Ms Airin’s and Ms Soenarjo’s (collectively, the “**Retiring Directors**” and each, the “**Retiring Director**”) overall contribution and performance, both past and anticipated. Mr Yabuki will, upon re-election as a Director, remain as Independent Non-Executive Director of the Company, and Chairman of the ARMC and a member of the NC and RC. Ms Airin will, upon re-election as a Director, remain as Independent Non-Executive Director of the Company, and a member of the ARMC, NC and RC. Ms Soenarjo will, upon re-election as a Director, remain as Non-Independent Non-Executive Director of the Company, and a member of the ARMC and RC.

There are no relationships (including immediate family relationships) between our Chairman, Mr Ong Kok Wah, and the CEO, other Directors or any of the substantial shareholders of the Company.

CORPORATE GOVERNANCE REPORT

The key information, including their appointment dates and directorships held in the past three (3) years, of the directors who held office during the year up to the date of this report is disclosed in the table below:

Name of Director	Date of First Appointment	Date of Last Re-election	Present Directorships in Other Listed Companies (Present and Past Three Years)	Other Principal Commitments
Ong Kok Wah	20 May 2010	27 April 2018	*Present* • ICP Ltd. *Past three years* Nil	Nil
Masahiko Yabuki	5 February 2018	27 April 2018	*Present* Nil *Past three years* Nil	*Present* • MYNZ Co., Ltd. *Past five years* • Softbank Group • CloudMinds Japan K.K.
Soennerstedt Carl Johan Pontus	5 May 2016	26 April 2019	*Present* Nil *Past three years* Nil	Nil
Diana Airin[1]	8 April 2020	-	*Present* Nil *Past three years* Nil	*Present* • PT Konsultan Strategi Penjualan (Wisdom Crowd), Chief Executive Officer and Founder • Sambalauku, Founder *Past five years* • PT Benten Media Global Televisi (MYTV), Managing Director • PT Kapanlagi Network (Kapanlagi.com), Chief Commercial Officer, Sales Director • PT Media Nusantara Citra Tbk, Director
Evy Soenarjo[2]	8 April 2020	-	*Present* Nil *Past three years* Nil	*Present* • Skyluxe, Founder *Past five years* • PT. Trikomsel Oke Tbk, Director • PT.Global Teleshop, Tbk, President Director

[1] *Ms Diana Airin has been appointed as an Independent Non-Executive Director on 8 April 2020*
[2] *Ms Evy Soenarjo has been appointed as a Non-Independent Non-Executive Director on 8 April 2020*

Pursuant to Rule 720(5) of the Catalist Rules, the information as required under Appendix 7F to the Catalist Rules in respect of each of the Retiring Directors is set out in on page 38 to 43 of the Annual Report.

The NC reviews annually the declarations of independence made by the Company's Independent Non-Executive Directors based on the definition of independence in the 2018 Code. The NC has reviewed the independence of each director for FY2019 and is of the view that the Independent Directors are independent as defined in the 2018 Code and are able to exercise judgment on the corporate affairs of the Group independent of the Management.

The NC monitors and determines annually whether directors who have multiple board representations and other principal commitments, give sufficient time and attention to the affairs of the Company and adequately carry out his/her duties as a Director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual Director and his/her actual conduct on the Board, in making this determination.

Currently, the NC and the Board have not determined the maximum number of listed company board representations which any Director may hold. The NC and the Board will review the requirement to determine the maximum number of listed company Board representations as and when necessary.

During the year, the Board has appointed an additional Independent Non-Executive Director, Ms Airin and an additional Non-Independent Non-Executive Director, Ms Soenarjo.

No alternate director has been appointed to the Board for FY2019.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC adopts a formal system of evaluating the Board as a whole and its Board Committees every year. A performance evaluation of the Board and each Board Committee is carried out. The assessment parameters include the evaluation of the size and composition of the Board and its Board Committees, the access to information, processes and accountability, performance in relation to the discharging of its principle responsibilities, the Directors' standard of conduct and the performance of the Board Committees. Through a formal written performance evaluation of the Board and Board Committees, the Board is of the view that the Board and Board Committees operate effectively and each Director is contributing to the effectiveness of the Board and the Board Committees due to the active participation of each member during meetings.

The annual evaluation exercise provides an opportunity to obtain constructive feedback from each Director on whether the Board's procedures and processes has allowed him/her to discharge his/her duties effectively and to propose changes which may be made to enhance the Board's effectiveness as a whole. The collated findings are reported and recommendations are made to the Board for consideration and for further improvements to help the Board to discharge its duties more effectively.

The NC is of the view that the Board has met its performance objectives for FY2019. No external facilitator was used in the evaluation process as the Board believes that the quality and objectivity of the current process and evaluations implemented are sufficient and adequate.

The NC conducts an evaluation of the performance of individual Directors annually and for re-election or re-appointment of any Director. The assessment of each Director's performance is undertaken by the NC Chairman. The criteria for assessment include but is not limited to the particular Director's attendance record at meetings of the Board and Board Committees, commitment of time, intensity of participation at meetings, quality of discussions, knowledge and abilities, engagement with Management, maintenance of independence and any special contributions. For FY2019, the NC, in concurrence with the NC Chairman, is satisfied that each Director is contributing to the overall effectiveness of the Board.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC, regulated by a set of written terms of reference, comprises four (4) members, all of whom are Non-Executive Directors and a majority of whom, including the RC Chairman, are Independent Directors. The members of the RC are as follows:

1. Ong Kok Wah (Chairman, Independent Non-Executive Director)
2. Masahiko Yabuki (Member, Independent Non-Executive Director)

3. Diana Airin (Member, Independent Non-Executive Director)
4. Evy Soenarjo (Member, Non-Independent Non-Executive Director)

The principal function of the RC is to ensure that a formal and transparent procedure is in place for fixing the remuneration packages of directors and key management personnel of the Group.

Under its terms of reference, the RC is responsible for reviewing and recommending a remuneration framework for the Board and the Company's key management personnel. The RC also reviews and recommends to the Board the specific remuneration packages for each Director as well as the Company's key management personnel. The aim is to build capable and committed management teams, through competitive compensation, focused management, and progressive policies which will attract, motivate and retain a pool of talented executives to meet the current and future growth of the Company. In discharging their duties, the members have access to advice from the human resources department and external advisors as and when they deem necessary.

To ensure that the remuneration package is competitive and sufficient to attract, retain and motivate the key management personnel, the RC also takes into consideration industry practices and norms in the compensation review. The RC as part of its review ensures that all aspects of remuneration, including and not limited to director's fees, salaries, allowances, bonuses, options, benefits-in-kind and termination terms are covered for each director and key management personnel, to ensure they are fair.

No independent consultant is engaged to advise on the remuneration of all Directors. The RC will seek external expert advice should such a need arise. The Company did not engage any remuneration consultant in FY2019.

The RC reviews the service contracts of the Company's Executive Directors and key management personnel. Services contracts for Executive Directors are for a fixed appointment period. There are no onerous compensation commitments on the part of the Company in the event of an early termination of the service of the Executive Directors and key management personnel.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the Company.

The remuneration policy for Executive Directors is structured to link rewards to corporate and individual performance.

Our Executive Directors' remuneration consists of a salary, bonuses and other benefits. A proportion of the remuneration for the Executive Directors is linked to performance in the form of a performance bonus. Executive Directors are paid incentives based on achievement of performance targets of their respective business units set at the beginning of the financial year. In setting the targets, due regard is given to the financial and commercial health and business needs of the Group. Executive Directors do not receive directors' fees.

The Group has also entered into letters of employment with all of the executive officers. Their compensation consists of salary, bonus and performance awards that are dependent on the performance of the Group.

The Company does not have any long-term incentive scheme or schemes involving the offer of shares or grant of options. In evaluating long-term incentives, the RC takes into consideration the costs and benefits of such schemes.

Non-executive directors are remunerated under a framework of fixed fees for serving on the Board and Board Committees, taking into account factors such as effort, time spent and responsibilities. Fees for Non-Executive Directors are subject to the approval of shareholders at the AGM.

In setting remuneration packages, the Company takes into consideration the remuneration and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individuals.

The Company does not implement the use of contractual provisions as it is of the view that such provisions would not enhance the performance of its Executive Directors and key management personnel. However, the letters of employment with all executive officers allow the Company the right to pursue appropriate action against executive officers and key management personnel for violation of company policies and other fraudulent acts.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Given the highly competitive environment it is operating in and the confidentiality attached to remuneration matters, the Company believes that fully disclosing the remuneration of each Director and the CEO would be prejudicial to its business interests. The Company has instead disclosed the remuneration of each Director and the CEO in bands of S$200,000. The aggregate value of remuneration to Directors has been disclosed on page 30 of the Annual Report.

The Company has also disclosed the remuneration of each key management personnel (who are not directors or the CEO) in bands of S$200,000 below. The aggregate value of remuneration to the key management personnel (who are not directors or the CEO) has been disclosed on page 30 of the Annual Report.

A breakdown of the level and mix of remuneration paid/payable to each Director in remuneration bands of S$200,000 for FY2019 are as follows:

Name of Director	Breakdown of Remuneration in Percentage					Total Remuneration in Compensation Bands of S$200,000
	Directors' fees	Salary	Bonus	Other Benefits	Total	
Ong Kok Wah	100%	-	-	-	100%	<S$200,000
Masahiko Yabuki	100%	-	-	-	100%	<S$200,000
Soennerstedt Carl Johan Pontus	2%	73.50%	-	24.50%	100%	S$200,001 – S$400,000
Ong Soon Hwee, Gary[1]	-	71.00%	3.00%	26.00%	100%	S$200,000 – S$400,000
Diana Airin[2]	-	-	-	-	-	-
Evy Soenarjo[3]	-	-	-	-	-	-

[1] *Mr Ong Soon Hwee, Gary resigned as an Executive Director and Chief Operating Officer on 30 September 2019.*
[2] *Ms Diana Airin has been appointed as an Independent Non-Executive Director on 8 April 2020*
[3] *Ms Evy Soenarjo has been appointed as a Non-Independent Non-Executive Director on 8 April 2020*

The total Directors' fees for FY2019, which will be put to shareholders for approval at the forthcoming AGM, amounted to S$65,000 (FY2018: S$67,917).

For FY2019, the Group had identified one key management personnel (who is not a Director or the CEO of the Company). The details of remuneration paid to the key management personnel of the Group (who is not a Director or the CEO of the Company) for FY2019 is set out below:

Name of Key Management Personnel	**Breakdown of Remuneration in Percentage**			**Total Remuneration in Compensation Bands of S$200,000**
	Salary	**Other Benefits**	**Total**	
Foo Yeng Lee, Geraldine	88%	12%	100%	<S$200,000

- *Salary comprises basic salary, payment for leave not taken, annual wage supplement and the Company's contribution towards the Singapore Central Provident Fund ("**CPF**") where applicable.*
- *Variable bonus is paid based on the Company and individual's performance.*
- *Other benefits include transport allowance and personal income tax.*

There were no employees who are substantial shareholders of the Company, or are immediate family members (defined in the Catalist Rules as the spouse, child, adopted child, step-child, sibling and parent) of a Director, the CEO or a substantial shareholder of the Company, and whose annual remuneration exceeded S$100,000 during FY2019.

There were no termination, retirement and/or post-employment benefits granted to the Directors, CEO and key management personnel of the Company for FY2019.

There is presently no share scheme or share option scheme on unissued shares of the Company or its subsidiaries.

The Board, on review, is of the opinion that disclosing specific details on the performance conditions used to determine the Directors' remuneration would be unfavourable to its business interest. The RC is satisfied that all of the performance conditions used to determine the Directors' remuneration have been met.

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls to safeguard the interests of the company and its shareholders.

The Board, with the assistance of the ARMC, is responsible for the governance of risk by ensuring the adequacy and effectiveness of the system of risk management and internal controls to safeguard shareholders' interests and the Group's assets.

The ARMC monitors and assists the Board in determining the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

The details on ARMC can be found on pages 32 to 34 of the Annual Report.

The Board, assisted by the ARMC, will:

a. ensure that the Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets;
b. determine the nature and extent of the significant risks, and the level of risk tolerance, which the Board is willing to take in achieving its strategic objectives;
c. provide oversight in the design, implementation and monitoring of the risk management framework, and system of internal controls (including financial, operational, compliance and information technology controls), including ensuring that Management puts in place action plans to mitigate the risks identified where possible;
d. review the adequacy and effectiveness of the risk management and internal controls systems annually; and
e. set and instill the appropriate risk-aware culture throughout the Company for effective risk governance.

The Company's internal auditors conduct an annual review of the effectiveness of the Company's material internal controls, including financial, operational, compliance and information technology controls, and a risk assessment at least annually to ensure the adequacy thereof. The findings of the review conducted by the internal auditors together with the review undertaken by the external auditors as part of their statutory audit are presented in their findings to the ARMC. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the ARMC. The ARMC also reviews the effectiveness of the actions taken by the Management on the recommendations made by the internal auditors and external auditors in this respect.

The Board recognises that it is responsible for maintaining a system of internal control to safeguard shareholders' investments and the Group's businesses and assets, while Management is responsible for establishing and implementing the internal control procedures in a timely and appropriate manner. The role of the internal auditor is to assist the ARMC in ensuring that the controls are effective and functioning as intended, to undertake investigations as directed by the ARMC and to conduct regular in-depth audits of high risk areas.

The Board notes that the system of risk management and internal controls established by the Management provides reasonable, but not absolute assurance that the Group will not be significantly affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgment in decision-making, human error, losses, fraud or other irregularities.

The Board has received assurance from the CEO and Senior Finance Manager that:
(i) the financial records have been properly maintained and the financial statements for FY2019 give a true and fair view in all material respects of the Company's operations and finances; and
(ii) the Group's risk management and internal control systems are adequate and operating effectively in all material respects given its current business environment.

Based on the risk management processes and policy framework, internal controls system established and maintained by the Group, reviews performed by the various Board Committees and key management personnel, work performed by the external auditors and internal auditors, and the assurances from the CEO and Senior Finance Manager, the Board, with the concurrence of the ARMC, is of the opinion that the Group's internal controls and risk management systems are adequate and effective in addressing the financial, operational, compliance and information technology risks of the Group as at 31 December 2019.

Audit Committee
Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The ARMC, regulated by a set of written terms of reference, comprises four (4) members, all of whom are Non-Executive Directors and a majority of whom, including the ARMC Chairman, are Independent Directors. Other directors are invited to attend ARMC meetings as and when appropriate. The members of the ARMC are as follows:

1. Masahiko Yabuki (Chairman, Independent Non-Executive Director)
2. Ong Kok Wah (Member, Independent Non-Executive Director)
3. Diana Airin (Member, Independent Non-Executive Director)
4. Evy Soenarjo (Member, Non-Independent Non-Executive Director)

The members of the ARMC each have expertise or experience in financial management and are qualified to discharge the ARMC's responsibilities objectively.

The ARMC has full access to and full co-operation of Management. It also has the discretion to invite any director and executive officer to attend its meetings. The ARMC also has the power to conduct or authorise investigations into any matters within its terms of reference.

The ARMC meets periodically to perform the following functions:

a. review the audit plans of the external auditors of the Company, and review the external auditors' evaluation of the adequacy of the Company's system of internal accounting controls, their letter to Management and Management's response;
b. review the quarterly and annual financial statements and balance sheet and profit and loss accounts before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Catalist Rules and any other relevant statutory or regulatory requirements;
c. review the assurances from the CEO and the Senior Finance Manager on the financial records and financial statements;
d. review the internal control procedures and the adequacy of the Group's internal controls and ensure co-ordination between the external auditors and Management, and review the assistance given by Management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of Management, where necessary);
e. review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and Management's response;
f. review the cost effectiveness and the independence and objectivity of the external auditors;
g. recommend to the Board the external auditors to be nominated, approve the compensation of the external auditors, and review the scope and results of the audit;
h. review interested person transactions (if any) falling within the scope of Chapter 9 of the Catalist Rules;
i. review potential conflicts of interest, if any;
j. undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the ARMC;
k. undertake generally such other functions and duties as may be required by the legislation, regulations or the Catalist Rules, or by such amendments as may be made thereto from time to time;
l. meet with external auditors, Management and any others considered appropriate in separate executive sessions to discuss any matters that the ARMC believes should be discussed privately and establish a practice to meet with external auditors without the presence of Management at least once annually;
m. review the nature and extent of all non-audit services provided by the Group's external auditors, if any, and determine if such services would affect the independence of the external auditors;
n. review and report to the Board at least annually the adequacy and effectiveness of the company's internal controls, including financial, operational, compliance and information technology controls;
o. review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;
p. make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors; and
q. review the effectiveness, independence, scope and results of the external audit and the Company's internal audit function.

Apart from the duties listed above, the ARMC is given the task of commissioning investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Company's operating results or financial position, and to review its findings. The ARMC has full access to and the co-operation of Management and the full discretion to invite any Director or Executive Officer to attend its meetings, and has reasonable resources to enable it to discharge its functions properly.

The external auditors have unrestricted access to the ARMC.

The ARMC is responsible for reviewing the audit reports from the internal auditors and external auditors and assists the Board in overseeing the Management in the formulation, updating and maintenance of an adequate and effective risk management framework and internal controls.

The ARMC recommends to the Board on proposals to shareholders on the appointment, re-appointment and removal of the external auditors and approving the remuneration of the external auditors.

The ARMC will meet with the external auditors and internal auditors without the presence of the Management, as and when necessary and at least annually, to review the adequacy of audit arrangements, with emphasis on the scope and quality of their audit, the independence, objectivity and observations of the external auditors.

In FY2019, the ARMC met with the External Auditors once in the absence of key management personnel.

The ARMC is kept updated annually and from time to time on any changes to the accounting and financial reporting standards with trainings conducted by professionals or the external auditors. The external auditors will work with the Management to ensure that the Group complies with the new accounting standards, if applicable.

In the review of the financial statements for FY2019, the ARMC had discussed with the Management and the external auditors on changes to accounting standards and significant issues and assumptions that impact the financial statements. The following significant matters that impact the financial statements were reviewed by the ARMC in relation to their materiality and appropriate methodology/assessment. These matters were also discussed with Management and the external auditors.

Key Audit Matters	**Approach and measures**
Impairment of trade receivables	The ARMC considered the approach and methodology used by management in determining the recoverable amount of trade receivables. The ARMC was satisfied that the approach and methodology used by management in this process was appropriate.

The ARMC concluded that the Group's accounting treatment and estimates in each of the significant matters were appropriate. All the key audit matters ("**KAMs**") that were raised by the external auditors for FY2019 have been addressed by the ARMC and are covered in the above commentary. The KAMs in the auditors' report for FY2019 can be found on pages 48 to 50 of the Annual Report.

External Auditors

The Company and its subsidiaries are audited by Moore Stephens LLP. The ARMC has conducted an annual review of the performance of the external auditor, taking into consideration the Audit Quality Indicators Disclosure Framework recommended by ACRA as a reference. The Group's associate company based in the Philippines, Polaristitans Philippines Inc., was audited by OO & Associates (formerly known as Ong, Ordonez & Associates) and reviewed by the Group's external auditor, Moore Stephens LLP, for group consolidation purposes.

The ARMC also undertook a review of the independence and objectivity of the external auditor through discussions with the external auditor and confirm that no non-audit services were provided to the Company. The aggregate amount of audit fees payable to the external auditor in FY2019 was S$97,000. No non-audit fees were paid to the external auditor in FY2019. The ARMC is satisfied with the independence of the external auditor and is not aware of any matter that would affect the independence of the external auditor.

Accordingly, the ARMC has recommended to the Board the reappointment of Moore Stephens LLC as external auditors of the Company at the forthcoming AGM. In appointing the audit firms for the Group, the Board and the ARMC are satisfied and confirm that the Group has complied with Rule 712 and Rule 715 of the Catalist Rules.

There is no former partner or director of the Company's existing auditing firm or auditing corporation that is acting as a member of the Company's ARMC.

Internal Audit

Currently, the Group has outsourced its internal audit function to Ardent Business Advisory Pte. Ltd. (the "**IA**") which reports directly to the ARMC. The IA has an administrative reporting function to Management where planning, co-ordinating, managing and implementing internal audit work cycle are concerned. The work undertaken by the IA is carried out in accordance with the standards set by internationally recognised professional bodies including Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The IA will report their audit findings and recommendations directly to the ARMC. The IA has unfettered access to all the Group's documents, records, properties and personnel, including access to the ARMC.

For FY2019, the ARMC has reviewed and approved the internal audit plan to ensure the adequacy of the scope of audit, the IA's reports, proposed follow-up actions implemented by the Management and has noted that the necessary co-operation required from the Management has been provided to enable the IA to perform its function effectively. In addition, the experience of the IA (including its assigned engagement personnel) has been reviewed, and the ARMC is satisfied that the IA is adequately qualified (given, *inter alia*, its adherence to standards set by internationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively and independently. As such, the ARMC is of the view that the internal audit function of the Company is independent, effective and adequately resourced for FY2019.

Based on the internal audit reports and management controls in place, the ARMC is satisfied that the internal control systems (including financial, operational, compliance and information technology controls) provide reasonable assurance that assets are safeguarded, that proper accounting records are maintained and financial statements are reliable. In the course of their statutory audit, the Company's external auditors will highlight any material internal control weaknesses which have come to their attention in carrying out their normal audit, which is designed primarily to enable them to express their opinion on the financial statements. Such material internal control weaknesses noted during their audit, and recommendations, if any, by the external auditors are reported to the ARMC.

Whistle-Blowing Policy

The Company, with the assistance of the ARMC has put in place a "whistleblowing" process and has formulated the guidelines for a Whistle-Blowing Policy for the Group. Such a policy serves to encourage and provide a channel for staff to report, in good faith and without fear of reprisals, concerns about possible improprieties in financial reporting, bullying behaviour and other matters to the Independent Non-Executive Chairman. It has a well-defined process which ensures independent investigation of issues/concerns raised and appropriate follow up action to be taken. All reports will be promptly submitted to the ARMC which is responsible for investigating and coordinating corrective action. All information received will be treated confidentially and the identity and the interest of all whistle-blowers will be protected. Anonymous disclosures will be accepted and requests for anonymity will be honoured. Details of the whistle-blowing policy and arrangements have been made available to all employees via internal emails and bulletin boards.

No whistle blowing letter or complaint was received in FY2019.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder rights and conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company does not practice selective disclosure. In line with the continuous obligations of the Company under the Catalist Rules and the Companies Act, the Board's policy is that all shareholders should equally and on a timely basis be informed of all major developments that impact the Group via the Singapore Exchange Network (the "**SGXNet**").

Accountability to shareholders is demonstrated through the presentation of the Group's quarterly and full year financial statements, results announcements and all announcements on the Group's business and operations.

The Management provides the Board with appropriately detailed management accounts of the Company's performance, position and prospects on a quarterly basis and when deemed appropriate by particular circumstances.

The Board also takes adequate steps to ensure compliance with legislative and regulatory requirements and observes obligations of continuing disclosure under the Catalist Rules. For example, in line with the Catalist Rules, the Board provides a negative assurance statement to the shareholders in respect of the interim financial statements.

The Management maintains regular contact and communication with the Board by various means including the preparation and circulation to all Board members of quarterly and full year financial statements of the Group. This allows the Board to monitor the Group's performance as well as Management's achievements of the goals and objectives determined and set by the Board.

The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the proposed resolutions and/or ask the directors or the Management questions regarding the Company and its operations. Shareholders are informed of the rules, including voting procedures, that govern general meetings of shareholders.

Shareholders have the opportunity to participate effectively and to vote in the AGM either in person or in absentia by proxy. The Company's Constitution allows a shareholder to appoint up to two (2) proxies to attend and vote in his or her place at general meetings. A shareholder who is a relevant intermediary pursuant to Section 181 of the Companies Act may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder.

The Company's Constitution does not expressly allow for other methods for voting in absentia at general meetings of shareholders such as voting via mail, e-mail or fax.

Amid the COVID-19 situation in Singapore, on 26 March 2020, the Infectious Diseases (Measures to Prevent Spread of COVID-19) Regulations 2020 ("**Regulations**") came into force. The Regulations prohibit certain activities and events (e.g. conventions), limit attendance for non-prohibited events to 10 individuals, and impose safe distancing measures for non-prohibited events held in public places.

In light of the current developments on the COVID-19 situation, the Company has decided not to proceed with its AGM and/or general meetings before 30 April 2020. In this regard, as announced on 7 April 2020, the Company has obtained approval from the Accounting and Corporate Regulatory Authority ("**ACRA**") and the Singapore Exchange Regulation, on 3 April 2020 and 6 April 2020 respectively, for an extension of time until 29 June 2020 for the Company to hold its AGM for FY2019. Accordingly, the Company will be issuing its notice of AGM to shareholders at a later date and, in any case, by 7 June 2020. The Company will conduct the meeting in a manner that (a) provides an opportunity for shareholders to ask questions, (b) provides for the meeting to be shown by "live" webcast and (c) allows for proxy voting. Instructions and procedures to register and attend the meetings will be announced via the Company's website and on SGXNet.

Resolutions to be passed at general meetings are always separate and distinct in terms of issues and are consistent with the 2018 Code's guideline that companies should avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal.

The Company adheres to the requirements of the Catalist Rules and the 2018 Code whereby all resolutions at the Company's general meetings held on or after 1 August 2015 are put to vote by poll. The voting of the resolutions at the general meetings is conducted by electronic polling for greater transparency in the voting process. The detailed voting results of each of the resolutions tabled are announced on the same day after the meetings. The total numbers of votes cast for and against the resolutions are also announced after the meetings via SGXNet.

Each item of special business included in the notice of the general meetings will be accompanied by explanation of the effects of the proposed resolution. Separate resolutions are proposed for each substantially separate issue at general meetings. The Company will make available minutes of general meetings to shareholders upon their request.

In general meetings, shareholders are given the opportunity to communicate their views and direct questions to directors and Management regarding the Company. The Chairman of the Board and the respective Chairman of the ARMC, NC and RC are normally present and available to address questions from shareholders at general meetings. The external auditors are also present to address shareholders' queries on the conduct of audit and the preparation and content of the Independent Auditors' report. The Company will publish minutes of the general meetings on the Company's website, including its responses from management and the Board to substantial queries and relevant comments from shareholders.

All Directors have attended the AGM 2018 held on 26 April 2019.

The Group does not have a formal dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. As the Company has registered accumulated losses as at 31 December 2019 and its current priority is to achieve long-term capital growth for the benefit of shareholders, no dividends were declared or recommended for FY2019 and its profits shall therefore be retained for investment into the future. The Board continues to monitor the financial position of the Company and will propose dividends at the appropriate time in the best interest of the shareholders.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilities the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Board welcomes the views of shareholders on matters affecting the Group, whether at the general meetings of shareholders or on an ad-hoc basis. At general meetings, shareholders will be given the opportunity to express their views and ask Directors or the Management questions regarding the Group.

Shareholders are informed of general meetings through announcements released via the SGXNet. Additionally, annual reports are prepared and issued to all shareholders within the mandatory period. Notices of shareholders' meetings are advertised in a newspaper in Singapore. AGM is held within four (4) months after the close of the financial year.

Shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to stay informed of the Group's strategies and growth plans. Notice of the general meeting is issued to shareholders, together with explanatory notes or a circular on items of special businesses (if necessary), providing at least 14 or 21 days' notice in writing, as the case may be, (exclusive both of the day on which the notice is served or deemed to be served and of the day for which the notice is given). The Board welcomes questions from shareholders who wish to raise issues, either informally or formally before or during the general meetings.

A shareholder who is not a "relevant intermediary" may appoint up to two (2) proxies during his absence, to attend, speak and vote on his behalf at general meetings, provided that a shareholder holding management shares may appoint more than two (2) proxies in respect of the management shares held by him. Shareholders who are "relevant intermediaries" such as banks, capital markets services licence holders which provide custodial services for securities and the CPF Board, are allowed to appoint more than two (2) proxies to attend, speak and vote at general meetings. This will enable indirect investors, including CPF investors, to be appointed as proxies to participate at shareholders' meetings.

The Company does not practice selective disclosure. Price sensitive information is first publicly released through the SGXNet before the Company meets with any investors or analysts. In line with continuous obligations of the Company pursuant to the Catalist Rules and the Companies Act, the Board's policy is that all shareholders should be equally and timely informed of all major developments that will impact the Company or the Group. Information is communicated to shareholders on a timely basis through the SGXNet and/or the press. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable.

Shareholders can access financial information, corporate announcements, press releases, annual reports (including sustainability reports) and the profile of the Group at the Company's website at http://www.wearepolaris.com. The website also contains a dedicated section on "Investor Relations" to further enhance communication with investors or other stakeholders, and sets out an email address through which shareholders may contact the Company with questions and through which the Company may respond to such questions.

(E)MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has a materiality assessment process to identify the key stakeholders who have direct influence on the business and operations which includes, but is not limited to, customers, employees, shareholders and investors, suppliers, business partners and Government and regulators. The Company continuously seeks to improve communication with its stakeholders via various engagement platforms/communication channels.

Key concerns of stakeholders and the Company's strategies in relation to the management of stakeholder relationships are reported on in the Company's Sustainability Report for the financial year ended 31 December 2019 (the "Sustainability Report 2019") on pages 10 to20 in the Annual Report.

The stakeholders can also access the Sustainability Report 2019 and other relevant announcement such as financial information, corporate announcements, annual reports and the profile of the Group via Company's website at http://www.wearepolaris.com.

(F) DEALINGS IN COMPANY'S SECURITIES

The Company has adopted internal practices in relation to dealings in the Company's securities pursuant to Rule 1204(19) of the Catalist Rules that are applicable to all its officers. The Company and its officers are not allowed to deal in the Company's securities on short term considerations and in circumstances where they are in possession of unpublished price-sensitive information of the Group; and during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three (3) quarters of its financial year and one (1) month before the announcement of the Company's full year financial statements.

Directors and officers are required to observe insider trading provisions under the Securities and Futures Act, Chapter 289 of Singapore at all times even when dealing in the Company's securities within the permitted trading periods.

Directors of the Company are required to report all dealings to the Company Secretary.

(G) INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported on in a timely manner to the ARMC and that such transactions are carried out on normal commercial terms and would not be prejudicial to the interests of the Company and its minority shareholders.

There were no material interested person transactions during FY2019 requiring disclosure pursuant to the Catalist Rules.

The Company does not have any existing general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules.

(H) MATERIAL CONTRACTS

Save for the service agreement entered into between the Executive Director and CEO and the Company on 19 January 2018 which is still subsisting as at the end of FY2019, there were no material contracts entered into by the Company and its subsidiaries involving the interest of the CEO, each director or controlling shareholder, which were either still subsisting at the end of FY2019 or if not then subsisting, entered into since the end of the previous financial year.

(I) USE OF PROCEEDS

There were no outstanding proceeds raised from IPO or any offerings pursuant to Chapter 8 of the Catalist Rules at the end of FY2019 and no such proceeds have been raised since the end of the previous financial year.

(J) NON-SPONSOR FEES

The Company's Sponsor, Stamford Corporate Services Pte. Ltd., has not rendered any non-sponsorship services to the Company for FY2019. Accordingly, no non-sponsor fees were paid to the Sponsor for FY2019.

APPENDIX 7F TO THE CATALIST RULES: ADDITIONAL INFORMATION REQUIRED PURSUANT TO RULE 720(5) IN RELATION TO A DIRECTOR SEEKING RE-ELECTION

The following additional information on the Retiring Directors, who are seeking re-election as Directors at the forthcoming Annual General Meeting, is to be read in conjunction with their respective profiles in the FY2019 Annual Report.

The Company confirms that (i) there is no material change to the information disclosed in the Appendix 7F appointment announcement dated 5 February 2018 in relation to the appointment of Mr Masahiko Yabuki as Independent Non-Executive Director, and the Appendix 7F appointment announcements dated 7 April 2020 in relation to the appointment of Ms Diana Airin as Independent Non-Executive Director and Ms Evy Soenarjo as Non-Independent Non-Executive Director respectively, and (ii) none of their declarations for items (a) to (k) of Appendix 7F previously disclosed was a “Yes”. Nonetheless, the Company is restating Appendix 7F in relation to Mr Masahiko Yabuki, Ms Diana Airin and Ms Evy Soenarjo, respectively, below for ease of reference.

Name of Person	Masahiko Yabuki	Diana Airin	Evy Soenarjo
Date of Appointment	5 February 2018	8 April 2020	8 April 2020
Date of Last Re-Appointment	27 April 2018	-	-
Age	60	47	46
Country of principal residence	Japan	Indonesia	Indonesia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Yabuki as Independent Non-Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after the assessment of his performance, past experiences and overall contribution since his appointment as a Director of the Company.	The re-election of Ms Airin as Independent Non-Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after the assessment of her qualifications and past experience.	The re-election of Ms Soenarjo as Non-Independent Non-Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after the assessment of her qualifications and past experience.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director, Chairman of Audit and Risk Management Committee, Member of Nominating Committee and Remuneration Committee	Independent Non-Executive Director, Member of Audit and Risk Management Committee, Nominating Committee and Remuneration Committee	Non-Independent Non-Executive Director, Member of Audit and Risk Management Committee and Remuneration Committee
Professional qualifications	Degree in Economics from Kobe University of Commerce	Bachelor in Economics from University Tarumanagara	Bachelor in Economics from Satya Wacana Christian University
Working experience and occupation(s) during the past 10 years	Dec 2015 – Present: CEO of MYNZ Co., Ltd. (consultancy service and business development) Dec 2015 - Dec 2017: CEO and President of CloudMinds Japan K.K.	Oct 2019 – Current PT Konsultan Strategi Penjualan (Wisdom Crowd), Chief Executive Officer and Founder October 2019 - Current Sambalauku, Founder of business run in personal	Aug 2019 – Current Skyluxe, Founder of business run in personal name Jun 1997 – Jun 2019 PT.Trikomsel Oke Tbk, Director

	(business development) Nov 2004 - Oct 2015: Director, Corporate Officer, SVP of Softbank Group (business development)	name September 2018 - July 2019 PT Benten Media Global Televisi (MYTV), Managing Director May 2017 - August 2018 PT Kapanlagi Network (Kapanlagi.com), Chief Commercial Officer, Sales Director January 2009 - April 2017 1. PT Media Nusantara Citra Tbk ("PT MNC Tbk"), Director (2016-2017) 2. PT MNC Televisi Network (INEWS TV), (previously known as PT Sun Televisi Indonesia), member of PT MNC Tbk, Deputy CEO (2016-2017) 3. PT MNC Okezone Network (OKEZONE.COM), member of PT MNC Tbk, Deputy CEO (2016-2017) 4. PT MNC Sky Vision (MNC Channel), member of PT MNC Tbk, CEO (2016-2017) 5. Sindo Media, member of PT MNC Tbk, Chief Executive Officer (2013-2016) 6. PT Media Nusantara Infomasi (Koran Sindo), member of PT MNC Tbk, Sales and Marketing Director (2009-2013)	Jan 2011 – Apr 2016 PT. Global Teleshop, Tbk, President Director
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive director, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Conflict of interest (including any competing business)	No	No	Ms Evy Soenarjo is currently engaged in the business of supplying goods to Marquee Luxury Asia Pte. Ltd., a 51%-owned indirect subsidiary of the

			Company, and other third parties who are potentially competitors of the Group.
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments Including Directorships			
Past (for the last 5 years)	Softbank Group CloudMinds Japan K.K.	PT Benten Media Global Televisi (MYTV), Managing Director PT Kapanlagi Network (Kapanlagi.com), Chief Commercial Officer, Sales Director PT Media Nusantara Citra Tbk, Director	PT. Trikomsel Oke Tbk, Director PT. Global Teleshop, Tbk, President Director
Present	MYNZ Co., Ltd.	PT Konsultan Strategi Penjualan (Wisdom Crowd), Chief Executive Officer and Founder Sambalauku, Founder	Skyluxe, Founder
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment	No	No	No

against him?			
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been	No	No	No

the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?			
(j) Whether he has ever, to his knowledge, been concerned with the management of conduct, in Singapore or elsewhere, of the affairs of:- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Disclosure applicable to the appointment of Director Only			

Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the Nominating Committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable as Mr Masahiko Yabuki is nominated for re-election to the Board.	The Company will arrange for Ms Diana Airin to attend the relevant courses and will further brief her on the roles and responsibilities of a director of a listed company.	The Company will arrange for Ms Evy Soenarjo to attend the relevant courses and will further brief her on the roles and responsibilities of a director of a listed company.

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Polaris Ltd. (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2019 and the statement of financial position of the Company as at 31 December 2019.

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1 Directors

The directors of the Company in office at the date of this statement are:

Ong Kok Wah	*(Independent Non-Executive Chairman)*
Sonnerstedt Carl Johan Pontus	*(Executive Director & Chief Executive Officer)*
Masahiko Yabuki	*(Independent Non-Executive Director)*
Diana Airin	*(Independent Non-Executive Director)* (Appointed on 8 April 2020)
Evy Soenerjo	*(Non-Independent Non-Executive Director)* (Appointed on 8 April 2020)

2 Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

3 Directors' Interests in Shares or Debentures

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year ("FY") had no interests in the shares or debentures of the Company and its related corporations except as stated below.

Name of director(s)	Direct interest At the beginning of FY	Direct interest At the end of FY	Deemed interest At the beginning of FY	Deemed interest At the end of FY
	Number of ordinary shares		*Number of ordinary shares*	
Ong Kok Wah	70,000,000	70,000,000	-	-

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2020.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares or debentures of the Company and its related corporations, either at the beginning of the financial year or at the end of the financial year.

4 Share Options

There were no share options granted during the financial year to subscribe for unissued shares of the Company and/or its subsidiaries.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company and/or its subsidiaries.

There were no unissued shares of the Company and/or its subsidiaries under option at the end of the financial year.

5 Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC") comprises the following directors at the date of this statement:

Masahiko Yabuki (Chairman)
Ong Kok Wah
Diana Airin (Appointed on 8 April 2020)
Evy Soenerjo (Appointed on 8 April 2020)

The ARMC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50, the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance and assists the Board of Directors in the execution of its corporate governance responsibilities within its established terms of reference.

The duties of the ARMC, amongst other things, include:

(a) review the audit plans of the internal and external auditors of the Company, and review the internal auditors' evaluation of the adequacy of the Group's/Company's system of internal accounting controls and the assistance given by the Group's/Company's management to the external and internal auditors;

(b) review the quarterly announcement of financial statements and annual financial statements and the auditors' report on the annual consolidated financial statements of the Company and its subsidiaries before their submission to the Board of Directors;

(c) review the effectiveness of the Group's/Company's material internal controls, including financial, operational, compliance and information technology controls and risk management via reviews carried out by the internal auditors;

(d) meet with the external and internal auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARMC;

(e) review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;

(f) review the cost effectiveness and the independence and objectivity of the external auditors;

(g) review the nature and extent of non-audit services provided by the external auditors;

(h) recommend to the Board of Directors the external auditors to be nominated, approve the compensation of the external auditors and review the scope and results of audit;

5 Audit and Risk Management Committee (cont'd)

(i) report actions and minutes of the ARMC to the Board of Directors with such recommendations as the ARMC considers appropriate;

(j) review interested person transactions in accordance with the requirements of the Listing Manual Section B: Rules of Catalist of the SGX-ST; and

(k) undertake such other functions and duties as may be agreed to by the ARMC and the Board of Directors.

The ARMC has undertaken a review of the nature and extent of non-audit services provided by the external auditors, and is satisfied that there were no non-audit services rendered that would affect the independence and objectivity of the external auditors.

The ARMC has recommended to the Board of Directors that the auditors, Moore Stephens LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

Further details regarding the ARMC are disclosed in the Report on Corporate Governance included in the Company's Annual Report.

6 Independent Auditors

The auditors, Moore Stephens LLP, have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors,

……………………………………..
Sonnerstedt Carl Johan Pontus
Executive Director & Chief Executive Officer

……………………………………..
Ong Kok Wah
Independent Non-Executive Chairman

Singapore
9 April 2020

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Polaris Ltd. (the "Company") and its subsidiaries (collectively the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2019, and the consolidated statements of income and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(cont'd)

Key Audit Matters (cont'd)

Key Audit Matter	How our audit addressed the key audit matter
Impairment of trade receivables As at 31 December 2019, the carrying amount of the Group's trade receivables amounted to S$6,835,000 (Note 20), which represented approximately 46% of its current assets. The collectability of trade receivables is a key element of the Group's working capital management, and is managed on an ongoing basis by management. The Group determines the expected credit loss ("ECL") of trade receivables by making debtor-specific assessments of expected impairment losses for overdue trade receivables and uses a provision matrix for the remaining trade receivables that is based on the Group's historical observed default rates, customers' ability to pay and adjusted with forward-looking information. The assessment of correlation between historical observed default rates, forecast economic conditions and expected credit losses require the management to exercise significant judgement. Accordingly, we determined this as a key audit matter. The Group's accounting policies on allowance for impairment and the critical accounting estimates and judgements thereon are disclosed in Note 3(o) and Note 4(b)(i) to the financial statements, respectively.	**Our response** Our audit procedures included, amongst others, obtaining an understanding of the Group's processes and key controls relating to the monitoring of trade receivables and considering their aging to identify collection risks. We performed audit procedures including, amongst others, reviewing the reasonableness of significant judgements used by the management in assessing the recoverability of trade receivables and reviewing management's assessment of the recoverability of overdue trade receivables. We tested the reasonableness of management's assumptions and inputs used to develop the provision matrix, through analyses of ageing of trade receivables and historical credit loss experience, and reviewed data and information that management has used, including consideration of forward-looking information based on specific economic data. We checked the arithmetic accuracy of management's computation of the ECL. We checked to subsequent receipts from major debtors after the year end. We obtained documentary evidence, representation and explanations from management to assess the recoverability of overdue outstanding debts, where applicable. In addition, we reviewed the adequacy of the disclosures relating to the allowance for impairment loss on trade receivables and credit risk in Note 20(a) and Note 33(a) to the financial statements, respectively. **Our findings** Based on our audit procedures, we found management's assessment of the impairment of trade receivables to be reasonable and the disclosures to be appropriate.

(cont’d)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors’ responsibilities include overseeing the Group’s financial reporting process.

(cont'd)

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

(cont'd)

Auditor's Responsibility for the Audit of the Financial Statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr Ng Chiou Gee Willy.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
9 April 2020

CONSOLIDATED STATEMENT OF INCOME

For the financial year ended 31 December 2019

	Note	Group 2019 S$'000	Group 2018 S$'000
Continuing operations			
Revenue	5	54,361	23,058
Cost of sales		(51,390)	(21,435)
Gross profit		2,971	1,623
Other items of income:			
Interest income	6	55	69
Other income	7	139	181
Other items of expense:			
Marketing and distribution		(63)	(55)
Administrative expenses		(2,139)	(2,939)
Finance costs	8	(250)	(197)
Other expenses	9	(740)	(1,918)
Share of results of associate, net of tax	18	284	455
Profit/(Loss) before income tax	10	257	(2,781)
Income tax	11	(1)	(50)
Profit/(Loss) for the year from continuing operations		256	(2,831)
Discontinued operation			
Profit for the year from discontinued operation	12	-	2,721
Total profit/(loss) for the year		256	(110)
Attributable to:			
Equity holders of the Company:			
Profit/(Loss) from continuing operations, net of tax		205	(2,494)
Profit from discontinued operation, net of tax		-	2,721
		205	227
Non-controlling interests:			
Profit/(Loss) from continuing operations, net of tax		51	(337)
Total profit/(loss) for the year		256	(110)

The accompanying notes form an integral part of these financial statements

(cont'd)

		Group	
	Note	2019	2018
		S$'000	S$'000
Total profit/(loss) for the year		256	(110)
Other comprehensive (loss)/income, net of tax:			
Items that may not be reclassified subsequently to profit or loss:			
Net (loss)/gain on the fair value changes of equity instruments at fair value through other comprehensive income		(46,184)	46,184
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation		3	37
Exchange differences transferred on liquidation of subsidiaries		98	-
Other comprehensive (loss)/income for the year		(46,083)	46,221
Total comprehensive (loss)/income for the year		(45,827)	46,111
Attributable to:			
Equity holders of the Company		(45,878)	46,448
Non-controlling interests		51	(337)
Total comprehensive (loss)/income for the year		(45,827)	46,111
Earnings/(Loss) per share from continuing operations attributable to equity holders of the Company:			
Basic and diluted (cents per share)	13	0.001	(0.015)
Earnings per share from discontinued operation attributable to equity holders of the Company:			
Basic and diluted (cents per share)	13	-	0.016
Earnings per share from continuing and discontinued operations attributable to equity holders of the Company:			
Basic and diluted (cents per share)	13	0.001	0.001

The accompanying notes form an integral part of these financial statements

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019

		Group		Company	
	Note	2019	2018	2019	2018
		S$'000	S$'000	S$'000	S$'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	14	5,052	4,192	3,932	4,147
Investment properties	15	-	-	-	-
Intangible assets	16	-	-	-	-
Investments in subsidiaries	17	-	-	3,039	3,761
Investment in an associate	18	1,320	1,182	-	-
Other financial assets	19	-	46,184	-	46,184
Other receivables	20	-	-	3,568	-
		6,372	51,558	10,539	54,092
Current Assets					
Trade and other receivables	20	7,323	2,530	4	22
Inventories	21	852	748	-	-
Assets held-for-sale	22	2,826	2,826	2,826	2,826
Prepayments		91	58	71	27
Cash and bank balances	23	3,879	8,445	2,378	6,592
		14,971	14,607	5,279	9,467
Total Assets		**21,343**	**66,165**	**15,818**	**63,559**
LIABILITIES AND EQUITY					
Current Liabilities					
Loans and borrowings	24	622	231	242	231
Trade and other payables	25	1,720	729	943	1,400
Other liabilities	26	358	342	167	169
Provision for income tax		-	50	-	50
		2,700	1,352	1,352	1,850
Non-Current Liabilities					
Loans and borrowings	24	4,312	4,296	3,630	4,296
		4,312	4,296	3,630	4,296
Total Liabilities		7,012	5,648	4,982	6,146
Equity Attributable to Equity Holders of the Company					
Share capital	27(a)	402,747	402,747	402,747	402,747
Fair value adjustment	27(b)	-	46,184	-	46,184
Foreign currency translation reserve	27(c)	(473)	(574)	-	-
Accumulated losses		(387,972)	(388,150)	(391,911)	(391,518)
		14,302	60,207	10,836	57,413
Non-controlling interests	28	29	310	-	-
Total Equity		14,331	60,517	10,836	57,413
Total Liabilities and Equity		**21,343**	**66,165**	**15,818**	**63,559**

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2019

		Attributable to equity holders of the Company						
	Note	Share capital S$'000	Fair value adjustment S$'000	Foreign currency translation reserve S$'000	Accumulated losses S$'000	Total S$'000	Non-controlling interests S$'000	Total S$'000
Group								
Balance at 1 January 2019		402,747	46,184	(574)	(388,150)	60,207	310	60,517
Effect of adopting SFRS(I) 16	2(a)	-	-	-	(27)	(27)	-	(27)
Adjusted balance at 1 January 2019		402,747	46,184	(574)	(388,177)	60,180	310	60,490
Profit for the year		-	-	-	205	205	51	256
Other comprehensive (loss)/income		-	(46,184)	101	-	(46,083)	-	(46,083)
Total comprehensive (loss)/income for the year		-	(46,184)	101	205	(45,878)	51	(45,827)
Liquidation of subsidiaries		-	-	-	-	-	(332)	(332)
Balance at 31 December 2019		402,747	-	(473)	(387,972)	14,302	29	14,331
Balance at 1 January 2018		402,747	-	(611)	(388,377)	13,759	647	14,406
Profit/(Loss) for the year		-	-	-	227	227	(337)	(110)
Other comprehensive income		-	46,184	37	-	46,221	-	46,221
Total comprehensive income/(loss) for the year		-	46,184	37	227	46,448	(337)	46,111
Balance at 31 December 2018		402,747	46,184	(574)	(388,150)	60,207	310	60,517

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2019

	Group	
	2019	2018
	S$'000	S$'000
Cash Flows from Operating Activities		
Profit/(Loss) before income tax from continuing operations	257	(2,781)
Profit before income tax from discontinued operation	-	2,726
Profit/(Loss) before income tax	257	(55)
Adjustments for:		
Amortisation of intangible assets	-	84
Depreciation of property, plant and equipment	684	433
Depreciation of investment properties	-	90
Finance costs	250	229
Interest income	(55)	(73)
Loan receivables written off	-	1,117
Inventories written-down	23	17
(Reversal amount)/Net loss on asset transfer	(79)	339
Net gain on disposal of a subsidiary	-	(2,153)
Net loss on liquidation of subsidiaries	76	-
Net gain on disposal of property, plant and equipment	(1)	(10)
Share of results of associate	(284)	(455)
Unrealised exchange gain	(8)	(4)
Operating cash flows before changes in working capital	863	(441)
Changes in working capital:		
Inventories	(127)	(253)
Trade and other receivables	(5,132)	2,883
Prepayments	(33)	26
Trade and other payables	1,069	(2,700)
Other liabilities	16	(84)
Cash flows used in operations	(3,344)	(569)
Interest received	55	73
Interest paid	(228)	(229)
Income taxes paid	(51)	-
Net cash flows used in operating activities	(3,568)	(725)

The accompanying notes form an integral part of these financial statements

(cont'd)

	Group 2019 S$'000	Group 2018 S$'000
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(112)	(68)
Proceeds from disposal of property, plant and equipment	1	19
Dividends received from an associate	148	-
Net cash inflow on disposal of a subsidiary	-	4,610
Net cash outflow on asset transfer	-	(260)
Decrease in pledged fixed deposits	-	1,010
Net cash flows generated from investing activities	37	5,311
Cash Flows from Financing Activities		
Repayments of bank loans	(655)	(251)
Principal payment of lease liabilities	(419)	-
Net cash flows used in financing activities	(1,074)	(251)
Net (decrease)/increase in cash and cash equivalents	(4,605)	4,335
Cash and cash equivalents at the beginning of the year	8,445	4,075
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies	39	35
Cash and cash equivalents at the end of the year (Note 23)	3,879	8,445

The reconciliation of movements of the liabilities to cash flows arising from financing activities is presented below.

	1 January S$'000	Adopting SFRS(I) 16 S$'000	Cash flows repayments S$'000	Other changes* S$'000	31 December S$'000
Group					
2019					
Bank loans	4,527	-	(655)	-	3,872
Lease liabilities	-	390	(419)	1,091	1,062
	4,527	390	(1,074)	1,091	4,934
2018					
Bank loans	4,778	-	(251)	-	4,527

* Other changes include additional lease liabilities in relation to the renewal of existing retail outlet lease amounting to S$1,069,000 and accretion of interest amounting to S$22,000.

The accompanying notes form an integral part of these financial statements

These notes form an integral part of and should be read in conjunction with the consolidated financial statements.

1 General

Polaris Ltd. (the "Company") is a public limited liability company incorporated and domiciled in Singapore and is listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's registered office and principal place of business is at 81 Ubi Avenue 4, #03-11, Singapore 408830.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in Note 17.

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s")

(a) Application of New and Revised Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2019.

Description
SFRS(I) 16 *Leases*
Amendments to SFRS(I) 9 *Prepayment Features with Negative Compensation*
Amendments to SFRS(I) 1-28 *Long Term Interests in Associates and Joint Ventures*
Improvements to SFRS(I) 3 *Business Combinations*
Amendments to SFRS(I) 1-12 *Income Taxes*
Amendments to SFRS(I) 1-23 *Borrowing Costs*
Amendments to SFRS(I) 1-19 *Plan Amendment, Curtailment or Settlement*
SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*

Except for SFRS(I) 16 *Leases*, the adoption of the other new and revised standards above did not have any material effect on the financial performance of the Group or financial positions of the Group and the Company.

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (cont'd)

(a) Application of New and Revised Standards and Interpretations (cont'd)

SFRS(I) 16 *Leases*

SFRS(I) 16 sets out a revised framework for the recognition, measurement, presentation and disclosure of leases, and replaces SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives*; and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. SFRS(I) 16 requires lessees to recognise right-of-use ("ROU") assets and lease liabilities for all leases with a term of more than 12 months, except where the underlying asset is of low value. The ROU asset is depreciated and interest expense is recognised on the lease liability. Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the ROU assets and lease liabilities. ROU assets are tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets*. The accounting requirements for lessors have not been changed substantially, and continue to be based on a classification as either operating or finance leases. Disclosure requirements have been enhanced for both lessors and lessees.

On 1 January 2019, the Group has applied a modified retrospective approach that does not restate comparative information, but recognises the cumulative effect of initially applying SFRS(I) 16 as an adjustment to the opening accumulated losses on 1 January 2019. Under the modified retrospective approach, the Group has elected to apply the following practical expedients under SFRS(I) 16:

i. or all contracts entered into before 1 January 2019 and that were previously identified as leases under SFRS(I) 1-17 and SFRS(I) INT 4, the Group is exempted from having to reassess whether pre-existing contracts contain a lease. Accordingly, the definition of a lease in accordance with SFRS(I) 1-17 and SFRS(I) INT 4 will continue to be applied to leases entered or modified before 1 January 2019.

ii. The Group has, on a lease-by-lease basis:

- applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
- excluded initial direct costs in the measurement of the ROU assets at the date of initial application; and
- used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

iii. The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (cont'd)

(a) Application of New and Revised Standards and Interpretations (cont'd)

SFRS(I) 16 *Leases* (cont'd)

Impact on lessee accounting

For leases previously classified as operating leases, the Group chose to measure its ROU assets (except for ROU assets which meet the definition of investment property) at a carrying amount as if SFRS(I) 16 had been applied since the commencement of the lease but discounted using the incremental borrowing rate at 1 January 2019. The Group recognised its lease liabilities by discounting the remaining lease payments as at 1 January 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristics. The difference between the carrying amounts of the ROU assets and lease liabilities as at 1 January 2019 is adjusted directly to opening accumulated losses. Comparative information is not restated.

The Group has no leases previously classified as finance leases.

Impact on lessor accounting

There are no significant changes to the accounting by the Group as a lessor.

Financial impact of adoption of SFRS(I) 16

On 1 January 2019, the Group recognised right-of-use assets of approximately S$363,000 and lease liabilities of approximately S$390,000, recognising the difference of approximately S$27,000 in opening accumulated losses.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rates applied ranged from 5.25% to 5.80%.

The differences between the operating lease commitments disclosed applying SFRS(I) 1-17 in the Group's financial statements as at 31 December 2018 and the lease liabilities recognised in the statement of financial position as at 1 January 2019 are presented below.

	Group
	S$'000
Operating lease commitments disclosed as at 31 December 2018	415
Less: Discounted using the incremental borrowing rates at 1 January 2019	(25)
Lease liabilities recognised at 1 January 2019	390

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (cont'd)

(b) New and Revised Standards Issued but Not Yet Effective

At the date of authorisation of these financial statements, the Group has not adopted the following new and revised standards applicable to the Group that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 3: *Definition of a Business*	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: *Definition of Material*	1 January 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7: *Interest Rate Benchmark Reform*	1 January 2020
Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its associate or Joint Venture*	Date to be determined

Except for the amendments to SFRS(I) 3, the Group expects that the adoption of the other new and revised standards above will have no material impact on the financial statements in the period of initial application.

Amendments to SFRS(I) 3: *Definition of a Business*

The amendments confirm that a business must include inputs and a process. The amendments also clarify that the process must be substantive, and the inputs and process must significantly contribute to creating outputs. The revised definition of a business focuses on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs. A new optional test is available to assess whether a business has been acquired, when the value of the assets acquired is concentrated in a single asset or group of similar assets.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period. Early application is permitted.

The Group does not expect any significant impact arising from applying these amendments.

3 Significant Accounting Policies

(a) Basis of Preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

(b) Group Accounting

i. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over the fair value of the fair value of the investee's identifiable net assets acquired. Goodwill on acquisitions of subsidiaries is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment loss. Gains and losses on the disposal of subsidiaries, include the carrying amount of goodwill relating to the entity sold.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

3 Significant Accounting Policies (cont'd)

(b) Group Accounting (cont'd)

i. Subsidiaries (cont'd)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

If the total of consideration transferred, non-controlling interest recognised and previously-held interest measured is less than the fair value of the net assets of the subsidiary acquired as in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred assets. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of interests in subsidiaries to non-controlling interests without loss of control are also recorded in equity.

When the Group loses control of a subsidiary, it:

- derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest (including any components of other comprehensive income attributable to them);
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained in the former subsidiary at its fair value;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or accumulated losses, as appropriate; and
- recognises any resulting difference in profit or loss.

3 Significant Accounting Policies (cont'd)

(b) Group Accounting (cont'd)

ii. Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Goodwill on acquisition of associates represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associates is included in the carrying amount of the investments. Gains and losses on the disposal of associates include the carrying amounts of goodwill relating to the entity sold.

Investments in associates are accounted for using the equity method of accounting less impairment losses, if any. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

When the Group reduces its ownership interest in an associate, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

The Group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

3 Significant Accounting Policies (cont'd)

(c) Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses in the statement of financial position of the Company.

On disposal of investments in subsidiaries and associates, the difference between the net disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

(d) Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

i. Distribution sale of mobile handsets and accessories, and trading sale of lifestyle products

Revenue from the distribution sale of mobile handsets and accessories, and trading sale of lifestyle products is recognised when control of the products has transferred, being when the goods are delivered to the customer, the customer has full discretion over the manner of distribution and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has the objective evidence that all criteria for acceptance have been satisfied. A receivable is recognised when the goods are delivered as this represents the point in time that the right to consideration is unconditional because only the passage of time is required before the payment is due.

ii. Retail sale of consumer electronics and related products

The Group operates retail outlet selling electronics and related products. Revenue from the retail sale of electronics and related products is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

3 Significant Accounting Policies (cont'd)

(d) Revenue Recognition (cont'd)

iii. Customer services

The Group provides after-market services to end consumers for equipment repairs and technical services. Revenue from customer services is recognised at a point in time when the services are rendered. Payment of the transaction price is due immediately at the point the customer acknowledges the completion of the services.

(e) Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants received are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

(f) Leases

Accounting policies applicable from 1 January 2019

i. When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

The Group recognises right-of-use assets and lease liabilities at the date which the underlying assets become available for use. Right-of-use assets are measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement dates, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

3 Significant Accounting Policies (cont'd)

(f) Leases (cont'd)

Accounting policies applicable from 1 January 2019 (cont'd)

i. *When the Group is the lessee* (cont'd)

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment and are disclosed in Note 3(k)(ii). In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liabilities. The Group presents its right-of-use assets (except for those which meets the definition of an investment property) in "Property, plant and equipment" and lease liabilities in "Loans and borrowings" in the consolidated statement of financial position. Right-of-use assets which meet the definition of an investment property are presented within "Investment properties" and accounted for in accordance with Note 3(l).

The initial measurement of lease liabilities is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Group has elected not to separate lease and non-lease components for property leases; instead they are accounted for as one single lease component.

3 Significant Accounting Policies (cont'd)

(f) Leases (cont'd)

Accounting policies applicable from 1 January 2019 (cont'd)

i. When the Group is the lessee (cont'd)

Lease liabilities are measured at amortised cost, and are remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise lease extension and termination options;
- There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- There is a modification to the lease term.

When lease liabilities are remeasured, corresponding adjustments are made against the right-of-use assets. If the carrying amounts of the right-of-use assets have been reduced to zero, the adjustments are recorded in profit or loss. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less, as well as leases of low value assets, except in the case of sub-lease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments that are based on an index or a rate are included in the measurement of the corresponding right-of-use assets and lease liabilities. Other variable lease payments are recognised in profit or loss when incurred.

ii. When the Group is the lessor

Each lease in which the Group acts as a lessor is classified as either an operating or a finance lease at lease inception. Leases that transfer substantially all of the risks and rewards incidental to ownership of the underlying assets are classified as finance leases. Other leases are classified as operating leases.

Lessor - operating leases

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income. Contingent rents are recognised as income in profit or loss when earned.

3 Significant Accounting Policies (cont'd)

(f) Leases (cont'd)

Accounting policies applicable prior to 1 January 2019

i. When the Group is the lessee

Lessee - finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the combined statement of financial position as property, plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

Lessee - operating leases

Leases of retail outlet where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease. Contingent rents are recognised as an expense in profit or loss when incurred.

ii. When the Group is the lessor

The Group's accounting policies as a lessor under SFRS(I) 1-17 are similar to those under SFRS(I) 16 as set out above.

3 Significant Accounting Policies (cont'd)

(g) Foreign Currencies

i. Functional and presentation currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

For the purposes of the consolidated financial statements, the results and financial position of each entity in the Group are expressed in Singapore Dollars ("S$"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

All values are rounded to the nearest thousand (S$'000) except when otherwise indicated.

ii. Transactions and balances

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3 Significant Accounting Policies (cont'd)

(g) Foreign Currencies (cont'd)

iii. Translation of Group entities' financial statements

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing exchange rates at the reporting date;
- income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transactions dates, in which the case income and expenses are translating using the exchange rates at the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

(h) Borrowing Costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

3 Significant Accounting Policies (cont'd)

(i) Employee Benefits

Employee benefits are recognised as an expense in profit or loss, unless the cost qualifies to be capitalised as an asset.

i. Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

ii. Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. A provision for the estimated liability for annual leave is recognised for services rendered by employees up to the reporting date.

(j) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

i. Current tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date. The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

3 Significant Accounting Policies (cont'd)

(j) Income Tax (cont'd)

ii. Deferred tax (cont'd)

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

3 Significant Accounting Policies (cont'd)

(j) Income Tax (cont'd)

iii. Current and deferred tax for the period (cont'd)

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where the current and deferred tax arises from the initial accounting for a business combination, the tax effect is taken into account in the accounting for the business combination.

(k) Property, Plant and Equipment

i. Measurement

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

ii. Depreciation

Depreciation is recognised so as to write off the cost less their residual values over their useful lives, using the straight-line method.

The following useful lives are used in the calculation of depreciation:

Commercial properties	30 years
Furniture, fixtures and renovation	3 to 5 years
Office equipment and computers	3 to 5 years
Retail outlet	3 years
Motor vehicles	2 years

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year and adjusted as appropriate at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

3 Significant Accounting Policies (cont'd)

(k) Property, Plant and Equipment (cont'd)

iii. Subsequent expenditure

Subsequent expenditure related to property, plant and equipment that has been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

iv. Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(l) Investment Properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured initially at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amount over the estimated useful life of 30 years. The residual value, useful life and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The effect of any revision are recognised in profit or loss when the changes arise.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. All other costs of maintenance, repairs and minor improvements are recognised in profit or loss when incurred.

Investment properties are derecognised when either they have been disposed of or when the asset is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property, calculated as the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year of retirement or disposal.

3 Significant Accounting Policies (cont'd)

(m) Intangible Assets

Intangible assets acquired separately are measured initially at cost or acquired in a business combination are identified and recognised separately from goodwill at their fair value at the acquisition date. Intangible assets are subsequently stated at cost less accumulated amortisation and accumulated impairment losses.

The carrying amounts of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The useful life and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The effect of any revision are recognised in profit or loss when the changes arise.

Intangible assets are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the asset is derecognised.

(n) Impairment of Non-Financial Assets

Non-financial assets (including finite intangible assets) are tested for impairment whenever there is any indication that these assets may be impaired.

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3 Significant Accounting Policies (cont'd)

(n) Impairment of Non-Financial Assets (cont'd)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(o) Financial Assets

<u>Classification</u>

i. Debt instruments

Financial assets that are debt instruments comprise mainly of cash and cash equivalents, trade and other receivables, and investments in debt securities. The Group classifies these assets into categories based on the Group's business model for managing them and their contractual cash flow characteristics.

- Financial Assets measured at Amortised Cost ("AC") comprise of assets that are held within a business model whose objective is to hold those assets for collection of contractual cash flows, and those contractual cash flows represent solely payments of principal and interest.

- Financial Assets measured at Fair Value through Other Comprehensive Income ("FVOCI") comprise of assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling those assets, and those contractual cash flows represent solely payments of principal and interest.

- Financial Assets measured at Fair Value through Profit and loss ("FVPL") comprise of assets that do not qualify for AC and FVOCI. Assets that would otherwise qualify for AC or FVOCI may also be designated as FVPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that arises from measuring assets and liabilities on an inconsistent basis.

3 Significant Accounting Policies (cont'd)

(o) Financial Assets (cont'd)

Classification (cont'd)

ii. Equity instruments

Financial assets that are equity instruments comprise mainly of investments in equity securities. The Group classifies these assets as FVPL, except for those that the Group has designated as FVOCI. The FVOCI designation is irrevocable, and is not permitted for held-for-trading financial assets and financial assets that represent contingent consideration in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Initial measurement

Trade receivables that do not contain a significant financing component are initially recognised at their transaction price. Other financial assets are initially recognised at fair value, plus, for financial assets that are not at FVPL, transaction costs that are directly attributable to their acquisition.

Transaction costs of financial assets at FVPL are expensed in profit and loss.

Subsequent measurement

i. Debt instruments

AC

These assets are subsequently measured at amortised cost using the effective interest method unless they are part of a designated hedging relationship. Impairment losses and reversals, interest income, and foreign exchange gains and losses (except where designated as a hedging instrument) on such assets are recognised in profit and loss. Interest income is based on the effective interest method which allocates interest income over the life of the financial asset based on an effective interest rate that discounts estimated future cash receipts to its gross carrying amount.

3 Significant Accounting Policies (cont'd)

(o) Financial Assets (cont'd)

Subsequent measurement (cont'd)

i. Debt instruments (cont'd)

FVOCI

These assets are subsequently measured at fair value. Impairment losses and reversals, interest income based on the effective interest method, and foreign exchange gains and losses (except where designated as a hedging instrument) on such assets are recognised in profit and loss. Any remaining fair value movements are recorded in OCI.

FVPL

These assets are subsequently measured at fair value. All fair value movements are recorded in profit and loss.

ii. Equity instruments

Subsequent to initial recognition, all equity investments are measured at fair value. Changes in the fair value of FVPL equity investments are recognised in profit and loss, while changes in the fair value of FVOCI equity investments are recognised in other comprehensive income. All dividend income is recognised in profit and loss, except for dividends from FVOCI equity investments that clearly represent a recovery of the cost of investment.

Impairment

At each reporting date, the Group assesses expected credit losses ("ECL") on the following financial instruments:

- Financial assets that are debt instruments measured at AC and FVOCI;
- Contract assets (as defined in SFRS(I) 15); and
- Financial guarantee contracts.

3 Significant Accounting Policies (cont'd)

(o) Financial Assets (cont'd)

Impairment (cont'd)

ECL is a probability-weighted estimate of credit losses. Credit losses are measured at the present value of all shortfalls between the cash flows due to the Group in accordance with contractual terms, and the cash flows that the Group actually expects to receive. ECL is discounted at the effective interest rate of the financial asset. The Group records allowances on financial assets based on either the:

- 12-month ECL – representing the ECL that results from default events that are possible within the 12 months after the reporting date (or the expected life of the instrument if shorter); or
- Lifetime ECL – representing the ECL that results from all possible default events over the expected life of the contract.

Simplified approach - Trade receivables

For all trade receivables, the Group adopts a simplified approach whereby an allowance for lifetime ECL is assessed upon initial recognition. The Group estimates lifetime ECL using a provision matrix based on historical credit loss experience, adjusted for various factors including debtor-specific factors, forward-looking information such as industry and economic forecasts, and others as appropriate.

General approach – All other financial instruments on which ECL assessment is required

For all other financial instruments on which ECL is assessed, an allowance for 12-month ECL is recorded upon initial recognition. The allowance is increased to lifetime ECL if the credit risk at each reporting date has increased significantly as compared to the credit risk at initial recognition. In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group considers all reasonable and supportable information that is relevant and available without undue cost or effort including both historical credit experience and forward-looking information.

The Group regards the following as events of default:

- Events that make it unlikely for the borrower to repay in full unless the Group undertakes actions to recover the asset (e.g. by exercising rights over collaterals or other credit enhancements); or
- The financial instrument has become overdue in excess of 1 year.

3 Significant Accounting Policies (cont'd)

(o) Financial Assets (cont'd)

Impairment (cont'd)

Credit-impaired financial instruments

At each reporting date, the Group assesses whether a financial instrument on which ECL assessment is required has become credit-impaired. This is the case when one or more events have occurred that are considered to be detrimental to the estimated future cash flows of the instrument. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or past due event (e.g. being more than 90 days past due);
- other lenders granting concessions (such as loan restructurings) to the borrower due to economic or contractual reasons, that would not have been considered in the absence of the borrower's financial difficulty;
- increasing likelihood that the borrower will enter bankruptcy or other financial re-organisation; and
- the disappearance of an active market for the borrower's securities due to financial difficulties.

For credit-impaired financial assets, interest income is determined by applying the effective interest rate to the net carrying amount of the financial asset (after deduction of the ECL allowance).

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, such as when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit and loss.

3 Significant Accounting Policies (cont'd)

(o) Financial Assets (cont'd)

Recognition and derecognition

Financial assets are recognised when, and only when the Group becomes a party to its contractual provisions. All regular way purchases and sales of financial assets are recognised on trade-date, which is the date on which the Group commits to purchase or sell the asset.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset that is a debt instrument, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit and loss. In addition, for a financial asset that is a debt instrument at FVOCI, the cumulative gain or loss previously accumulated in the fair value adjustment reserve is reclassified to profit and loss.

On derecognition of an equity investment at FVPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit and loss. For equity investments at FVOCI, this difference is instead recognised directly in equity as part of accumulated losses. Cumulative gains and losses previously accumulated in equity are also transferred directly to accumulated losses upon derecognition of FVOCI equity investments.

(p) Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the combined statement of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3 Significant Accounting Policies (cont'd)

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(r) Financial Liabilities

i. Financial liabilities

The Group recognises financial liabilities on its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instruments.

Financial liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial liability. All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting period. An entity shall recognise a financial liability on its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument.

3 Significant Accounting Policies (cont'd)

(r) Financial Liabilities (cont'd)

ii. Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they have expired. The difference between the carrying amount of a financial liability that has been derecognised and the consideration paid and payable (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(s) Related Parties

A related party is defined as follows:

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the "reporting entity").

a. A person or a close member of that person's family is related to a reporting entity if that person:

   i. has control or joint control over the reporting entity;
   ii. has significant influence over the reporting entity; or
   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b. An entity is related to a reporting entity if any of the following conditions applies:

   i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
   ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
   iii. both entities are joint ventures of the same third party;
   iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
   v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
   vi. the entity is controlled or jointly controlled by a person identified in (a);
   vii. a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
   viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3 Significant Accounting Policies (cont'd)

(t) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of finished goods comprises direct costs that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. Allowance for stock obsolescence is made for obsolete and slow-moving inventories.

(u) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, fixed deposits, bank balances and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above less pledged fixed deposits.

(v) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are charged to equity, net of any tax effects.

(w) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive management whose members are responsible for allocating resources and assessing performance of the operating segments.

(x) Non-current Assets Held-for-sale and Discontinued Operations

Non-current assets or disposal groups are classified as held-for-sale or distribution if their carrying amount will be recovered through a sale transaction or distribution rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held-for-sale when the criteria set out above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale. Non-current assets (or disposal groups) classified as held-for-sale (held for distribution) are measured at the lower of the assets' previous carrying amount and fair value less cost to sell (fair value less costs to distribute).

3 Significant Accounting Policies (cont'd)

(x) Non-current Assets Held-for-sale and Discontinued Operations (cont'd)

The assets are not depreciated or amortised while they are classified as held-for-sale. In addition, equity accounting of associates and joint ventures ceases once classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and;

i. represents a separate major line of business or geographical area of operations; or
ii. is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
iii. is a subsidiary acquired exclusively with a view to resale.

When a component of an entity qualifies as a discontinued operation, the comparative statement of comprehensive income is retrospectively restated to segregate the results of all operations that have been discontinued by the end of the latest reporting period.

4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements and the application of the Group's accounting policies, which are set out in Note 3 above, requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)

(a) Critical Judgements in Applying the Accounting Policies

i. Impairment of investments in subsidiaries

Management reviews the Company's investments in subsidiaries at each reporting date to determine whether there is any indication that the investment may be impaired. To determine whether there is objective evidence of impairment, management considers factors such as the subsidiaries' financial performance and financial position and the overall economic environment. If any indicator exists, an impairment assessment will be performed accordingly.

The carrying amount of the Company's investments in subsidiaries and the allowance for impairment loss are disclosed in Note 17.

(b) Key Sources of Estimation Uncertainty

i. Loss allowance for trade receivables

The Group measures the loss allowance for trade receivables and contract assets at an amount equal to lifetime expected credit losses ("ECLs"). The ECLs on trade receivables are estimated using a provision matrix which involves grouping receivables based on characteristics which have historically influenced asset recoverability, such as credit ratings, customer-industry group and customer geography, and applying a historic provision rate which is based on days past due for groupings of various customer segments that have similar loss patterns. In devising such a provision matrix, the Group uses its historical credit loss experience with forward-looking information (adjusted as necessary to reflect current conditions and forecast economic conditions) to estimate the lifetime expected credit losses on the trade receivables. At every reporting date, the historical default rates are updated and the impact of forward-looking information is re-analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Information about the ECLs on the Group's trade receivables is disclosed in Note 33(a) and the carrying amount of the Group's trade receivables is disclosed in Note 20.

5 Revenue from Contracts with Customers

(a) Disaggregation of Revenue from Contracts with Customers

The Group's revenue is disaggregated by principal geographical areas, major product and services lines and timing of revenue recognition.

	Group 2019 S$'000	Group 2018 S$'000
Principal geographical market		
Distribution sale of mobile handsets and accessories		
- Singapore	-	13
- Hong Kong	1,998	-
- Indonesia	-	217
- Philippines	6,360	2,004
	8,358	2,234
Trading sale of lifestyle products		
- Hong Kong	2,046	-
- United States	4,073	-
	6,119	-
Retail sale of consumer electronics and related products		
- Singapore	30,471	15,099
- Hong Kong	6,078	4,272
	36,549	19,371
Customer services		
- Singapore	3,255	1,453
	54,361	23,058

5 Revenue from Contracts with Customers (cont'd)

(a) Disaggregation of Revenue from Contracts with Customers (cont'd)

	Group	
	2019	2018
	S$'000	S$'000
Major product or service lines and timing of revenue recognition		
Distribution sale of mobile handsets and accessories	8,358	2,234
Trading sale of lifestyle products	6,199	-
Retail sale of consumer electronics and related products	36,549	19,371
Customer services	3,255	1,453
At a point of time	54,361	23,058

6 Interest Income

	Group	
	2019	2018
	S$'000	S$'000
Continuing operations		
Interest income:		
- Bank deposits	55	69

7 Other Income

	Group	
	2019	2018
	S$'000	S$'000
Continuing operations		
Rental income	104	111
Government grants	32	45
Other miscellaneous income	3	25
	139	181

8 Finance Costs

	Group 2019 S$'000	Group 2018 S$'000
Continuing operations		
Interest expense:		
- Bank loans	125	121
- Lease liabilities	22	-
	147	121
Bank charges	103	76
	250	197

9 Other Expenses

	Group 2019 S$'000	Group 2018 S$'000
Continuing operations		
Depreciation of property, plant and equipment	684	362
Depreciation of investment properties	-	90
Net gain on disposal of property, plant and equipment	(1)	(6)
(Reversal amount)*/Net loss on asset transfer	(79)	339
Net loss on liquidation of subsidiaries	76	-
Net foreign exchange loss/(gain)	37	(1)
Inventories written-down	23	17
Loan receivables due from franchisee written off	-	1,117
	740	1,918

* The reversal amount of approximately S$79,000 relates to GST monies being refunded to the Group in connection with the transaction that was completed in the previous financial year ended 31 December 2018 pursuant to an Asset Transfer Agreement that the Group had entered into then.

10 Profit/(Loss) before Income Tax from Continuing Operations

The following items have been included in arriving at profit/(loss) before income tax from continuing operations:

	Group 2019 S$'000	Group 2018 S$'000
Continuing operations		
Audit fees:		
- Auditors of the Company	97	94
Non-audit fees:		
- Auditors of the Company	-	-
Directors' fees:		
- Directors of the Company	65	70
- Over provision in prior year	(2)	-
	63	70
Employee benefits expenses (Note 29)	2,523	1,974
Direct operating expenses relating to properties	107	458

11 Income Tax

	Group 2019 S$'000	Group 2018 S$'000
Continuing operations		
Current income tax:		
- Current year	1	-
- Under provision in respect of prior years	-	50
	1	50

11 Income Tax (cont'd)

The reconciliation between the income tax and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the financial year is as follows:

	Group	
	2019	2018
	S$'000	S$'000
Profit/(Loss) before income tax from continuing operations	257	(2,781)
Income tax at the applicable tax rate of 17% (2018: 17%)	44	(473)
Adjustments:		
Non-deductible expenses	38	481
Non-taxable income	(17)	-
Effect of partial tax exemption and tax relief	(23)	-
Deferred tax assets not recognised	7	69
Under provision in respect of prior years	-	50
Share of results of associate	(48)	(77)
	1	50

At the reporting date, the Group has estimated taxable temporary differences on property, plant and equipment of approximately S$64,000 (2018: S$105,000) and unutilised tax losses of approximately S$41,068,000 (2018: S$41,068,000) which can be carried forward and used to offset against future taxable income of those entities in the Group in which the losses arose, subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation of the respective countries in which they operate. The unutilised tax losses have no expiry dates.

The deferred tax assets arising from these estimated taxable temporary differences on property, plant and equipment and unutilised tax losses are approximately S$6,971,000 (2018: S$6,964,000) have not been recognised in accordance with the Group's accounting policy stated in Note 3(j).

12 Discontinued Operation

(a) Disposal of subsidiary

On 28 February 2018, the Company had entered into a sale and purchase agreement with R7 Rigel Pte. Ltd. for the disposal of the Company's entire equity interest in its wholly owned subsidiary, Polaris Telecom Pte. Ltd., which was principally involved in the retail sale of mobile communication devices and accessories and provision of broadband and other related telecommunication services in Singapore (Retail Telecommunication with Franchise (comprising SingTel) segment. The disposal of the subsidiary had been completed in the previous financial year ended 31 December 2018 (Note 17(d)).

(b) Analysis of profit for the year from discontinued operation

The result of the discontinued operation that was included in the consolidated statement of comprehensive income for the financial year ended 31 December 2018 is set out below.

	Group 2018 S$'000
Profit for the year from discontinued operation	
Revenue	20,928
Other income	27
	20,955
Expenses	(20,382)
Profit before income tax	573
Income tax	(5)
Profit for the year	568
Gain on disposal of discontinued operation (Note 17(d))	2,153
Profit for the year from discontinued operation (attributable to owners of the Company)	2,721
Cash flows from discontinued operation	
Net cash inflows from operating activities	887
Net cash outflows from investing activities	(25)
Net cash outflows from financing activities	(1,060)
Net cash outflows from discontinued operation	(198)

13 Earnings/(Loss) per Share

Basic earnings/(loss) per share from continuing operations are calculated by dividing profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following tables reflect the profit and share data used in the computation of basic earnings per share for the financial years ended 31 December:

	Group	
	2019	2018
Profit/(Loss) for the year from continuing operations attributable to equity holders of the Company used in the computation of basic earnings/(loss) per share (S$'000)	205	(2,494)
Profit for the year from discontinued operations attributable to equity holders of the Company used in the computation of basic earnings per share (S$'000)	-	2,721
Profit for the year from continuing and discontinued operations attributable to equity holders of the Company used in the computation of basic earnings per share (S$'000)	205	227
Weighted average number of ordinary shares for basic earnings per share computation (No. of shares '000)	17,053,170	17,053,170

There is no dilution of earnings/(loss) per share as there were no potential dilutive ordinary shares outstanding at the end of the financial years ended 31 December 2019 and 2018.

14 Property, Plant and Equipment

	Commercial properties S$'000	Furniture, fixtures and renovation S$'000	Office equipment and computers S$'000	Retail outlet S$'000	Motor vehicles S$'000	Total S$'000
Group						
Cost						
Balance at 1 January 2018	5,607	1,454	854	-	-	7,915
Additions	-	20	48	-	-	68
Disposals	-	(1)	(70)	-	-	(71)
Disposal of subsidiary (Note 17(d))	-	(318)	(220)	-	-	(538)
Reclassified to assets held-for-sale (Note 22)	(700)	-	-	-	-	(700)
Balance at 31 December 2018	4,907	1,155	612	-	-	6,674
Adopting SFRS(I) 16 (Note 2(a))	-	-	-	938	95	1,033
Adjusted balance at 1 January 2019	4,907	1,155	612	938	95	7,707
Additions	-	53	59	1,005	64	1,181
Disposals	-	-	(32)	(938)	-	(970)
Balance at 31 December 2019	4,907	1,208	639	1,005	159	7,918

14 Property, Plant and Equipment (cont'd)

	Commercial properties S$'000	Furniture, fixtures and renovation S$'000	Office equipment and computers S$'000	Retail outlet S$'000	Motor vehicles S$'000	Total S$'000
Group						
Accumulated depreciation						
Balance at 1 January 2018	785	1,143	639	-	-	2,567
Depreciation	188	167	78	-	-	433
Disposals	-	-	(62)	-	-	(62)
Disposal of subsidiary (Note 17(d))	-	(230)	(120)	-	-	(350)
Reclassified to assets held-for-sale (Note 22)	(106)	-	-	-	-	(106)
Balance at 31 December 2018	867	1,080	535	-	-	2,482
Adopting SFRS(I) 16 (Note 2(a))	-	-	-	657	13	670
Adjusted balance at 1 January 2019	867	1,080	535	657	13	3,152
Depreciation	164	85	57	315	63	684
Disposals	-	-	(32)	(938)	-	(970)
Balance at 31 December 2019	1,031	1,165	560	34	76	2,866
Carrying amount						
At 31 December 2018	4,040	75	77	-	-	4,192
At 31 December 2019	3,876	43	79	971	83	5,052

14 Property, Plant and Equipment (cont'd)

	Commercial properties S$'000	Furniture, fixtures and renovation S$'000	Office equipment and computers S$'000	Total S$'000
Company				
Cost				
Balance at 1 January 2018	5,607	927	374	6,908
Additions	-	-	16	16
Disposals	-	-	(22)	(22)
Reclassified to assets held-for-sale (Note 22)	(700)	-	-	(700)
Balance at 31 December 2018	4,907	927	368	6,202
Additions	-	45	8	53
Balance at 31 December 2019	4,907	972	376	6,255
Accumulated depreciation				
Balance at 1 January 2018	785	754	304	1,843
Depreciation	188	106	40	334
Disposals	-	-	(16)	(16)
Reclassified to assets held-for-sale (Note 22)	(106)	-	-	(106)
Balance at 31 December 2018	867	860	328	2,055
Depreciation	164	74	30	268
Balance at 31 December 2019	1,031	934	358	2,323
Carrying amount				
At 31 December 2018	4,040	67	40	4,147
At 31 December 2019	3,876	38	18	3,932

The Group's commercial properties with a carrying amount of S$3,876,000 (2018: S$4,040,000) are mortgaged to secure the Group's bank loans (Note 24) as at 31 December 2019.

During the previous financial year ended 31 December 2018, one of the commercial properties of the Group/Company with a carrying amount of S$594,000 had been reclassified to assets held-for-sale (Note 22).

The Group's right-of-use assets acquired under leasing arrangements are presented separately as "Retail outlet" and "Motor vehicles". Details of such leased assets are disclosed in Note 31.

15 Investment Properties

	Group and Company	
	2019	2018
	S$'000	S$'000
Cost		
Balance at 1 January	-	2,618
Reclassified to assets held-for-sale (Note 22)	-	(2,618)
Balance at 31 December	-	-
Accumulated depreciation		
Balance at 1 January	-	296
Depreciation	-	90
Reclassified to assets held-for-sale (Note 22)	-	(386)
Balance at 31 December	-	-
Carrying amount		
At 31 December	-	-

During the previous financial year ended 31 December 2018, all investment properties of the Group/Company with a carrying amount of S$2,232,000 had been reclassified to assets held-for-sale (Note 22).

16 Intangible Assets

	Customer relationship S$'000	Lease agreements S$'000	Total S$'000
Group			
Cost			
Balance at 1 January 2018	1,078	415	1,493
Disposal of subsidiary (Note 17(d))	(1,078)	(415)	(1,493)
Balance at 31 December 2018	-	-	-
Accumulated amortisation and impairment losses			
Balance at 1 January 2018	853	415	1,268
Amortisation	84	-	84
Disposal of subsidiary (Note 17(d))	(937)	(415)	(1,352)
Balance at 31 December 2018	-	-	-
Carrying amount			
At 31 December 2018	-	-	-

17 Investments in Subsidiaries

	Company	
	2019 S$'000	2018 S$'000
Unquoted shares, at cost		
Balance at 1 January	11,085	14,085
Liquidation/Disposal of subsidiaries	(3,660)	(3,000)
Balance at 31 December	7,425	11,085
Less: Allowance for impairment	(4,386)	(7,324)
	3,039	3,761
Movements in allowance account:		
At 1 January	(7,324)	(7,649)
Charge for the year	-	(675)
Written off	2,938	1,000
At 31 December	(4,386)	(7,324)

17 Investments in Subsidiaries (cont'd)

Impairment loss of subsidiaries

In the previous financial year, an additional allowance for impairment loss of S$675,000 had been recognised for the Company's investment in a partially owned subsidiary, Polaris KKC Holdings Pte. Ltd.. The allowance for the impairment loss was the estimated irrecoverable amount of the Company's investment in the subsidiary, determined by reference to its financial position which in the opinion of the management, represented the fair value of the Company's investment in the subsidiary.

In the current financial year, the Company has voluntary liquidated Polaris KKC Holdings Pte. Ltd., and accordingly, the related allowance amount of S$2,938,000 was written off from the allowance account. Further, there is no additional impairment in respect of the Company's investments in subsidiaries as at 31 December 2019.

(a) Composition of the Group

The Group has the following investments in subsidiaries:

Name and principal place of business	Principal activities	Group effective proportion of ownership interest 2019 %	2018 %
Held by the Company			
Polaris Device Pte. Ltd.(1) Singapore	Regional mobile handset distributor	100	100
Polaris Network Pte. Ltd.(1) Singapore	Retailer of mobile handset and services and consumer electronics	100	100
Polaris Telecom Pte. Ltd.(3) Singapore	Retailer of mobile handset and services	-	-

17 Investments in Subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

The Group has the following investments in subsidiaries: (cont'd)

Name and principal place of business	Principal activities	Group effective proportion of ownership interest 2019 %	2018 %
Held by the Company (cont'd)			
Polaris Culture Pte. Ltd.[(2)] Singapore	Investment holding company	-	-
Polaris Explorer Pte. Ltd.[(1)] Singapore	Investment holding company and wholesale and retail of premium lifestyle products	100	100
Polaris TMT Ltd.[(2)] Hong Kong SAR, People's Republic of China	Dormant	-	-
Polaris KKC Holdings Pte. Ltd.[(4)] Singapore	Investment holding company	-	85
Held through Polaris Explorer Pte. Ltd.			
Marque Luxury Asia Pte. Ltd.[(5)(1)] Singapore	Wholesale and retail of premium lifestyle products	51	-
Held through Polaris KKC Holdings Pte. Ltd.("KKC subgroup")			
CM Polaris Pte. Ltd.[(4)] Singapore	Joint venture investment in Myanmar	-	71

(1) Audited by Moore Stephens LLP, Singapore.
(2) The subsidiary was struck off during the previous financial year. There was no material gain or loss recognised in the profit or loss of the Group.
(3) The subsidiary was disposed of during the previous financial year (Note 17(d)).
(4) During the current financial year, the KKC subgroup was voluntary liquidated. The net loss on liquidation of subsidiaries is disclosed in Note 9.
(5) During the current financial year, the subsidiary was incorporated by Polaris Explorer Pte. Ltd. with an issued and paid-up share capital of 51 ordinary shares amounting to S$51 fully paid in cash.

17 Investments in Subsidiaries (cont'd)

(b) Interest in subsidiaries with material non-controlling interest ("NCI")

The Group has the following subsidiaries that have NCI that are considered material to the Group:

Name and principal place of business	Proportion of ownership interest held by NCI	Profit/(Loss) allocated to NCI during the reporting period S$'000	Accumulated NCI at the end of reporting period S$'000	Dividends paid to NCI S$'000
2019				
Marque Luxury Asia Pte. Ltd.				
Singapore	49%	29	29	-
Polaris KKC Holdings Pte. Ltd. subgroup ("KKC subgroup")				
Singapore	-	22	-*	-
		51	29	-
2018				
Polaris KKC Holdings Pte. Ltd. subgroup ("KKC subgroup")				
Singapore	15%	(337)	310	-

* The KKC subgroup was voluntary liquidated during the financial year.

17 Investments in Subsidiaries (cont'd)

(c) Summarised financial information about subsidiaries with material NCI of Marque Luxury Asia Pte. Ltd. ("MLA") and KKC subgroup

Summarised statement of comprehensive income

	MLA	KKC subgroup	
	2019	2019	2018
	S$'000	S$'000	S$'000
Revenue	1,061	-	-
Profit/(Loss) before income tax	60	79	(1,184)
Income tax	-	(1)	-
Profit/(Loss) after income tax	60	78	(1,184)
Other comprehensive income	-	-	-
Total comprehensive income/(loss)	60	78	(1,184)

Summarised statement of financial position

	MLA	KKC subgroup	
	2019	2019*	2018
	S$'000	S$'000	S$'000
Current			
Assets	1,139	-	1,116
Liabilities	(11)	-	(105)
Net current assets	1,128	-	1,011
Non-current			
Assets	-	-	-
Liabilities	(1,068)	-	-
Net non-current assets	(1,068)	-	-
Net assets	60	-	1,011

* The KKC subgroup was voluntary liquidated during the financial year.

17 Investments in Subsidiaries (cont'd)

(d) Disposal of subsidiary

On 18 June 2018, the Group had disposed of its wholly owned subsidiary, Polaris Telecom Pte. Ltd., for a total cash consideration of S$6 million.

Analysis of asset and liabilities over which control was lost

	2018 S$'000
Cash and cash equivalents	1,390
Trade and other receivables	6,040
Inventories	1,248
Property, plant and equipment (Note 14)	188
Intangible assets (Note 16)	141
Prepayments	40
Trade and other payables	(5,082)
Other liabilities	(113)
Income tax payable	(5)
Net assets disposed of	3,847

Gain on disposal of subsidiary

	2018 S$'000
Cash consideration received	6,000
Net assets disposed of (as above)	(3,847)
Gain on disposal of subsidiary	2,153

The gain on disposal was included in the profit for the year from discontinued operation in the consolidated statement of comprehensive income (Note 12).

The aggregate cash inflow arising from disposal of subsidiary

	2018 S$'000
Consideration received in cash and cash equivalents	6,000
Less: cash and cash equivalent balances disposed of (as above)	(1,390)
Net cash inflow on disposal	4,610

18 Investment in an Associate

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Investment in an associate, at cost	539	539	-	-
Share of post-acquisition reserves	781	643	-	-
	1,320	1,182	-	-

Detail of the Group's investment in an associate is as follows:

Name and principal place of business	Principal activities	Group effective proportion of ownership interest 2019 %	2018 %
Held through Polaris Explorer Pte. Ltd.			
Polaristitans Philippines Inc.[1] Philippines	Engaged in the conduct and carrying on the business of importing, exporting, manufacturing, selling, distributing and marketing of wholesale telecommunication equipment	40	40

[1] The auditors are OO & Associates but reviewed by Moore Stephens LLP, Singapore for group consolidation purposes.

Summarised financial information in respect of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with SFRS(I) adjusted by the Group for equity accounting purposes.

	2019	2018
	S$'000	S$'000
Polaristitans Philippines Inc.		
Current assets	9,634	5,156
Non-current assets	4	13
Current liabilities	(2,292)	(1,177)
Non-current liabilities	(4,046)	(1,037)
Revenue	30,188	27,446
Profit for the year	710	1,137
Total comprehensive income for the year	710	1,137
Dividends received from the associate	148	-

18 Investment in an Associate (cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Polaristitans Philippines Inc. recognised in the consolidated financial statements:

	2019 S$'000	2018 S$'000
Net assets of the associate	3,300	2,955
Proportion of the Group's ownership in Polaristitans Philippines Inc.	40%	40%
Carrying amount of the Group's interest in Polaristitans Philippines Inc.	1,320	1,182

19 Other Financial Assets

	Group and Company	
	2019 S$'000	2018 S$'000
Equity investment measured at fair value through other comprehensive income		
Quoted equity investment		
PT Trikomsel Oke Tbk. ("TRIO")	-	46,184

The above equity investment represents the Group's 8.22% investment in TRIO. TRIO's shares are listed on the Indonesia Stock Exchange ("IDX").

As per the Group's investment policy, this investment in equity instrument is not held for trading. Instead, it is held mainly for long-term strategic purposes. Accordingly, this investment is designated at FVOCI as the management believes that recognising short-term fluctuations in this investment's FVPL would not be consistent with the Group's strategy of holding this investment for long-term purposes.

During the financial year ended 31 December 2018, the prolonged suspension of TRIO's shares on the IDX since 6 January 2016 was removed and trading of its shares had resumed. The fair value of the quoted equity investment was accordingly based on quoted prices on the IDX at the reporting date which is categorised under Level 1 of the Fair Value Hierarchy (defined in Note 33(f)).

During the financial year ended 31 December 2019, the TRIO's shares on the IDX were suspended in July 2019 and remained suspended at the reporting date. As TRIO's shares remained suspended, management has relied on information about prices from recent off-market transactions after the year end in the determination of the fair value at the reporting date which is categorised under Level 2 of the Fair Value Hierarchy. Further, TRIO has announced on 13 March 2020 that under the relevant exchange regulations, the IDX may delist TRIO's shares if it remains to be suspended for a continuous period of 24 months.

20 Trade and Other Receivables

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Trade and other receivables (current)				
Trade receivables (a)				
- Third party	4,769	645	-	-
- Associate	2,066	1,356	-	-
	6,835	2,001	-	-
Other receivables	114	226	2	20
Advances to suppliers	213	110	-	-
GST receivables	48	86	-	-
Refundable deposits	113	107	2	2
	7,323	2,530	4	22
Other receivables (non-current)				
Amounts due from subsidiaries (net of allowance) (b)	-	-	3,568	-
Total trade and other receivables (current and non-current)	7,323	2,530	3,572	22

(a) Trade receivables

Trade receivables are non-interest bearing and the credit period ranges from 30 to 90 days (2018: 30 to 90 days).

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses ("ECL") as disclosed in the accounting policy Note 3(o). There has been no change in the estimation techniques or significant assumptions made during the current reporting period. None of the trade receivables that have been written off is subject to enforcement activities.

The Group's credit risk exposure in relation to trade receivables are set out in the provision matrix as presented below. The Group's provision for loss allowance is based on past due as the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments.

20 Trade and Other Receivables (cont'd)

(a) Trade receivables (cont'd)

		← Trade receivables past due (days) →				
	Current	< 30 days	31 to 60 days	61 to 90 days	> 90 days	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group						
2019						
Expected credit loss rate	*	*	*	*	*	
Trade receivables – gross carrying amount at default	5,108	696	276	183	572	6,835
Loss allowance – lifetime ECL	-	-	-	-	-	-
	5,108	696	276	183	572	6,835
2018						
Expected credit loss rate	*	*	*	*	*	
Trade receivables – gross carrying amount at default	1,595	311	7	84	4	2,001
Loss allowance – lifetime ECL	-	-	-	-	-	-
	1,595	311	7	84	4	2,001

* Insignificant ECL rate

There is no allowance for impairment arising from these outstanding balances as the expected credit losses are insignificant.

20 Trade and Other Receivables (cont'd)

(b) Amounts due from subsidiaries

	Company	
	2019	2018
	S$'000	S$'000
Amounts due from subsidiaries	8,129	3,871
Less: Allowance for impairment		
At 1 January	(3,871)	(2,701)
Addition	(690)	(1,170)
At 31 December	(4,561)	(3,871)
	3,568	-

Amounts due from subsidiaries are non-trade, unsecured, non-interest bearing, and are to be settled in cash on demand. The Company does not expect to recall the above amounts due from subsidiaries within the next 12 months from the financial year end. An additional allowance for impairment loss of S$690,000 (2018: S$1,170,000) was recognised for the current financial year.

(c) Impairment loss on financial assets

For purpose of impairment assessment, the other receivables (exclude trade receivables and amounts due from subsidiaries) are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL which reflects the low credit risk of the exposures. There is no allowance arising from these outstanding balances as the expected credit losses are insignificant. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

21 Inventories

	Group	
	2019	2018
	S$'000	S$'000
Statement of financial position		
Finished goods (at cost or net realisable value)	852	748
Statement of income		
Inventories recognised as an expense in cost of sales	50,340	21,091
Inventories written-down	23	17

During the current financial year, inventories were written down to account for loss in the value of inventories due to obsolescence, damages, expired shelf life, or unsaleable conditions.

22 Assets Held-For-Sale

	Group and Company	
	2019	2018
	S$'000	S$'000
At 1 January	2,826	-
Reclassified from property, plant and equipment (Note 14)	-	594
Reclassified from investment properties (Note 15)	-	2,232
At 31 December	2,826	2,826

During the previous financial year ended 31 December 2018, the Group/Company had committed to sell one of its commercial properties and all of its investment properties. Accordingly, the net carrying amounts of these properties which were previously under "Property, Plant and Equipment" and "Investment Properties", respectively, were reclassified to "Assets Held-for-Sale" at the lower of the properties' previous carrying amounts and fair value less cost to sell.

Management has extended the initial one-year period for another year to complete the sale of the properties. The Group/Company remains committed to its plan to sell the properties and management has taken the necessary actions in response to the current market conditions and continues to actively market the properties at prices that are reasonable, under the current market conditions.

Subsequent to the financial year end, the Group/Company has granted an option to a third party purchaser to purchase one of these properties. Further details are disclosed in Note 36.

22 Assets Held-For-Sale (cont'd)

Details of the Group's/Company's assets held-for-sale are as follows:

Description and location	Area (sqm)	Tenure	The Group's/ Company's interest %	Carrying amount S$'000
Office and warehouse:				
- UB.ONE, Unit 03-14[(1)(3)]	121	Leasehold	100	594
- UB.ONE, Unit 03-15	121	Leasehold	100	756
- UB.ONE, Unit 03-21[(1)(2)(3)]	121	Leasehold	100	738
- UB.ONE, Unit 03-22[(1)(2)(3)]	121	Leasehold	100	738
				2,826

(1) The property is currently leased out to third party tenants. The rental income is disclosed in Note 7.

(2) The property is mortgaged to secure the Group's bank loans (Note 24) as at 31 December 2019.

(3) The property was mortgaged to secure the Group's bank loans (Note 24) as at 31 December 2018.

23 Cash and Bank Balances

	Group		Company	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Cash on hand and at bank	2,178	2,739	677	886
Fixed deposits	1,701	5,706	1,701	5,706
Cash and cash equivalents as per consolidated statement of cash flows	3,879	8,445	2,378	6,592

Cash at bank earns interest at floating rates based on daily banks deposit rates.

The Group's fixed deposits have a maturity period of 1 month (2018: 3 to 9 months). The interest rate for the fixed deposits is 1.48% (2018: between 1.36% and 2.62%) per annum.

24 Loans and Borrowings

	Maturity	Group 2019 S$'000	Group 2018 S$'000	Company 2019 S$'000	Company 2018 S$'000
Current					
Loan I	2020	80	81	80	81
Loan II	2020	91	90	91	90
Loan III	2020	71	60	71	60
Lease liabilities (Note 31)	2020	381	-	-	-
		622	231	242	231
Non-current					
Loan I	2021 - 2032	1,146	1,650	1,146	1,650
Loan II	2021 - 2034	1,521	1,613	1,521	1,613
Loan III	2021 - 2034	963	1,033	963	1,033
Lease liabilities (Note 31)	2021 - 2022	682	-	-	-
		4,312	4,296	3,630	4,296
Total loans and borrowings		4,934	4,527	3,872	4,527

Loan I

This loan is secured by a first mortgage over the Group's commercial properties (Note 14) and assets held-for-sale (Note 22). The loan was renewed during the current financial year and is repayable in 168 instalments (2018: 240 instalments), bears interest at 4.17% (2018: 3.22%) below Bank's Commercial Financing Rate ("BCFR") for the 1st year, 3.77% (2018: 3.12%) below BCFR for the 2nd year, and 3.47% (2018: 2.82%) below BCFR for the 3rd year and thereafter at BCFR. Currently, BCFR is at 6.25% (2018: 6.25%) per annum.

Loan II

This loan is secured by a first mortgage over the Group's commercial properties (Note 14) and is repayable in 240 instalments, bears interest at 3.30% (2018: 3.32%) below BCFR for the 1st year, 3.30% (2018: 3.02%) below BCFR for the 2nd year, and thereafter at BCFR. Currently, BCFR is at 6.25% (2018: 6.25%) per annum.

Loan III

This loan is secured by the first mortgage over the Group's assets held-for-sale (Note 22) and is repayable in 240 instalments, bears interest at 2.55% fixed rate (2018: 3.22% below BCFR) for the 1st year, 2.55% fixed rate (2018: 3.12% below BCFR) for the 2nd year, and thereafter at BCFR (2018: 2.82% below BCFR for the 3rd year and thereafter 2.43% over BCFR). Currently, BCFR is at 6.25% (2018: 6.25%) per annum.

25 Trade and Other Payables

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Trade payables (a)	1,280	417	-	-
Other payables	426	280	145	37
GST payables	14	32	14	32
Amount due to subsidiary (b)	-	-	784	1,331
Total trade and other payables	1,720	729	943	1,400

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 60 days (2018: 60 days).

(b) Amount due to subsidiary

Amount due to subsidiary is non-trade, unsecured, non-interest bearing, and is to be settled in cash on demand.

26 Other Liabilities

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Accrued operating expenses	358	342	167	169

27 Share Capital and Reserves

(a) Share Capital

	Group and Company	
	No. of ordinary shares '000	S$'000
Issued and fully paid		
At 31 December 2019 and 2018	17,053,170	402,747

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

27 Share Capital and Reserve (cont'd)

(b) Fair Value Adjustment

	Group 2019 S$'000	Group 2018 S$'000
At 1 January	46,184	-
Fair value (losses)/gains	(46,184)	46,184
At 31 December	-	46,184

The fair value adjustment represents cumulative (losses)/gains arising on the revaluation of equity investment at FVOCI that have been recognised in other comprehensive (loss)/income.

(c) Foreign Currency Translation Reserve

	Group 2019 S$'000	Group 2018 S$'000
At 1 January	(574)	(611)
Exchange differences on translation	3	37
Exchange differences transferred on liquidation of subsidiaries	98	-
At 31 December	(473)	(574)

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of Group entities' operations whose functional currencies are different from that of the Group's presentation currency.

28 Non-controlling Interests

	Group 2019 S$'000	Group 2018 S$'000
At 1 January	310	647
Share of results of subsidiaries	51	(337)
Liquidation of subsidiaries	(332)	-
At 31 December	29	310

29 Employee Benefits

	Group 2019 S$'000	Group 2018 S$'000
Continuing operations		
Employee benefits (including directors):		
Cost of sales:		
- Salaries and bonuses	858	279
- Central Provident Fund contributions	125	38
- Other short-term benefits	67	26
Administrative expenses:		
- Salaries and bonuses	1,310	1,382
- Central Provident Fund contributions	90	106
- Other short-term benefits	73	143
	2,523	1,974

30 Related Party Transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

Sale and Purchase of Goods and Services

	Group 2019 S$'000	Group 2018 S$'000
Sales of finished goods to:		
- An associate	6,287	2,004

Compensation of Key Management Personnel

	Group 2019 S$'000	Group 2018 S$'000
Directors' fees	63	70
Short-term employee benefits	589	477
Central Provident Fund contributions	32	21
Other short-term benefits	94	237
	778	805
Comprise amounts paid/payable to:		
Directors of the Company	685	701
Other key management personnel	93	104
	778	805

31 Lease Liabilities

The Group as a lessee

(a) Nature of the Group's leasing activities

The Group has entered into leases in respect of its retail outlet and motor vehicles. The Group's obligations under the leases are secured by security deposits placed to the lessors. The Group is prohibited from selling, pledging or sub-leasing the underlying leased assets, and is required to maintain the assets in good condition.

(b) Carrying amount of right-of-use assets classified within Property, Plant and Equipment

	Group	
	31 December 2019	1 January 2019
	S$'000	S$'000
Retail outlet	971	281
Motor vehicles	83	82
	1,054	363

The information about the additions to right-of-use assets during the current financial year are disclosed in Note 14.

(c) Amounts recognised in profit or loss

	Group
	2019
	S$'000
Depreciation charge for the year:	
- Retail outlet	315
- Motor vehicles	63
	378
Interest on lease liabilities	22

(d) Other disclosures

	Group
	2019
	S$'000
Total cash outflow for leases	(419)

31 Lease Liabilities (cont'd)

The Group as a lessor

(a) Nature of the Group's/Company's leasing activities

The Group/Company leased out certain of its assets held-for-sale under operating leases with lease terms of 2 years. The lessees do not have an option to purchase the property at the expiry of the lease period. Where considered necessary to reduce credit risk, the Group obtained security deposits for the term of the leases. These leases are classified as operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from these leasing activities is disclosed in Note 7.

Future minimum rental receivables under non-cancellable operating leases at the end of the reporting period are as follows:

	Group and Company	
	2019	2018
	S$'000	S$'000
Not later than one year	49	82
Between one to two years	28	7
	77	89

32 Commitments

The Group as a lessee

Operating lease commitments represent rentals payable by the Group for its retail outlet and motor vehicles. These leases have a tenure period of between 1 and 2 years. They are negotiated for an average term of two years and rentals are fixed for an average of two years.

Future minimum lease payments payable under non-cancellable operating leases as at 31 December 2018 were as follows:

	Group
	2018
	S$'000
Not later than one year	380
Later than one year but not later than five years	35
	415

32 Commitments (cont'd)

The Group as a lessee (cont'd)

As disclosed in Note 2(a), the Group has adopted SFRS(I) 16 on 1 January 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 1 January 2019.

33 Financial Risk Management

Financial Risk Management Objectives and Policies

The Group is exposed to financial risks arising from its operations. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market risk.

Financial risk management is carried out by management under policies approved by the Board of Directors of the Company. The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management of the Group.

(a) Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables, refundable deposits, amounts dues from subsidiaries, and cash and bank balances. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group has adopted a policy of only dealing with creditworthy counterparties. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than one year and nine months or there is significant difficulty of the counterparty.

33 Financial Risk Management (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit Risk (cont'd)

The credit risk concentration profile of the Group's trade receivables at the reporting date is as follows:

	Group	
	2019	2018
	S$'000	S$'000
Trade receivables by country:		
- Singapore	1,908	645
- Indonesia	80	-
- Philippines	2,066	1,356
- United States	2,781	-
	6,835	2,001

The Group does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial assets.

Trade receivables

As disclosed in Note 3(o), the Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, trade receivables are grouped based on their shared credit risk characteristics and numbers of days past due. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Further details on the loss allowance of the Group's credit risk exposure in relation to the trade receivables is disclosed in Note 20.

33 Financial Risk Management (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit Risk (cont'd)

Cash and bank balances and other financial assets

The cash and bank balances are entered into with bank and financial institution counterparties, which the Group considers to have low credit risk based on external credit agency ratings.

Impairment on cash and bank balances has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties. The Group uses a similar approach for assessment of ECLs for cash and bank balances to those used for debt investments. The amount of the allowance on cash and bank balances was insignificant.

Credit risk grading guideline

The Group's management has established the Group's internal credit risk grading to the different exposures according to their degree of default risk. The internal credit risk grading which are used to report the Group's credit risk exposure to key management personnel for credit risk management purposes are as follows:

Internal rating grades	Definition	Basis of recognition of expected credit loss ("ECL")
i. Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
ii. Under-performing	There has been a significant increase in credit risk since initial recognition (i.e. interest and/or principal repayment are more than 30 days past due).	Lifetime ECL (not credit-impaired)
iii. Non-performing	There is evidence indicating that the asset is credit-impaired (i.e. interest and/or principal repayments are more than one year past due).	Lifetime ECL (credit impaired)
iv. Write-off	There is evidence indicating that there is no reasonable expectation of recovery as the debtor is in severe financial difficulty.	Asset is written off

33 Financial Risk Management (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit Risk (cont'd)

Credit risk exposure and significant credit risk concentration

The credit quality of the Group's and the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating grades is presented as follows:

	Internal credit rating	ECL	Gross carrying amount	Loss allowance	Net carrying amount
			S$'000	S$'000	S$'000
Group					
2019					
Trade receivables	Note A	Lifetime ECL (Simplified)	6,835	-	6,835
Other receivables	Performing	12-month ECL	227	-	227
2018					
Trade receivables	Note A	Lifetime ECL (Simplified)	2,001	-	2,001
Other receivables	Performing	12-month ECL	333	-	333
Company					
2019					
Other receivables	Performing	12-month ECL	4	-	4
Other receivables (Note 20(b))	Non-performing	Lifetime ECL (credit impaired)	8,129	(4,561)	3,568
2018					
Other receivables	Performing	12-month ECL	22	-	22
Other receivables (Note 20(b))	Non-performing	Lifetime ECL (credit impaired)	3,871	(3,871)	-

Note A – The Group have applied the simplified approach to measure the loss allowance at lifetime ECL. The details of the loss allowance for these financial assets are disclosed in Note 20(a).

33 Financial Risk Management (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(b) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

To manage liquidity risk, the Group monitors its net operating cash flow, maintains a level of cash and bank balances and secured committed funding facilities from financial institutions. In assessing the adequacy of these facilities, the Group reviews working capital and capital expenditure requirements continually so as to mitigate the effects of fluctuations in the cash flows. When a potential shortfall in cash is anticipated, the Group will finance the shortfall by way of borrowings, share placements and/or issue of convertible securities in a timely manner. The Group places its surplus funds with reputable banks.

The Group will continue to review, formulate and implement a liquidity risk management policy and to maintain sufficient liquid financial assets and stand-by credit facilities with three different banks. At the end of the reporting period, approximately 5% (2018: 5%) of the Group's loans and borrowings (Note 24) will mature in less than one year based on the carrying amounts reflected in the financial statements.

33 Financial Risk Management (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(b) Liquidity Risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	One year or less S$'000	One to five years S$'000	Over five years S$'000	Contractual cash flow S$'000	Carrying amount S$'000
Group					
2019					
Financial assets					
Trade and other receivables [1]	7,062	-	-	7,062	7,062
Cash and bank balances	3,881	-	-	3,881	3,879
Total undiscounted financial assets	10,943	-	-	10,943	10,941
Financial liabilities					
Trade and other payables [1]	1,706	-	-	1,706	1,706
Other liabilities	358	-	-	358	358
Loans and borrowings	338	1,780	2,790	4,908	3,872
Lease liabilities	427	717	-	1,144	1,062
Total undiscounted financial liabilities	2,829	2,497	2,790	8,116	6,998
Total net undiscounted financial assets/(liabilities)	8,114	(2,497)	(2,790)	2,827	3,943

33 Financial Risk Management (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(b) Liquidity Risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	One year or less S$'000	One to five years S$'000	Over five years S$'000	Contractual cash flow S$'000	Carrying amount S$'000
Group					
2018					
Financial assets					
Trade and other receivables (1)	2,334	-	-	2,334	2,334
Cash and bank balances	8,465	-	-	8,465	8,445
Total undiscounted financial assets	10,799	-	-	10,799	10,779
Financial liabilities					
Trade and other payables (1)	697	-	-	697	697
Other liabilities	342	-	-	342	342
Loans and borrowings	416	2,075	3,562	6,053	4,527
Total undiscounted financial liabilities	1,455	2,075	3,562	7,092	5,566
Total net undiscounted financial assets/(liabilities)	9,344	(2,075)	(3,562)	3,707	5,213
Company					
2019					
Financial assets					
Trade and other receivables (1)	4	3,568	-	3,572	3,572
Cash and bank balances	2,380	-	-	2,380	2,378
Total undiscounted financial assets	2,384	3,568	-	5,952	5,950
Financial liabilities					
Trade and other payables (1)	929	-	-	929	929
Other liabilities	167	-	-	167	167
Loans and borrowings	338	1,780	2,790	4,908	3,872
Total undiscounted financial liabilities	1,434	1,780	2,790	6,004	4,968
Total net undiscounted financial assets/(liabilities)	950	1,788	(2,790)	(52)	982

33 Financial Risk Management (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(b) Liquidity Risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	One year or less S$'000	One to five years S$'000	Over five years S$'000	Contractual cash flow S$'000	Carrying amount S$'000
Company					
2018					
Financial assets					
Trade and other receivables [1]	22	-	-	22	22
Cash and bank balances	6,612	-	-	6,612	6,592
Total undiscounted financial assets	6,634	-	-	6,634	6,614
Financial liabilities					
Trade and other payables [1]	1,368	-	-	1,368	1,368
Other liabilities	169	-	-	169	169
Loans and borrowings	416	2,075	3,563	6,054	4,527
Total undiscounted financial liabilities	1,953	2,075	3,563	7,591	6,064
Total net undiscounted financial assets/(liabilities)	4,681	(2,075)	(3,563)	(957)	550

[1] Amount excludes advances to suppliers, GST receivables and GST payables.

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings.

As the Group's and Company's loans and borrowings are presently on floating rates, the Group and Company will continue to review, formulate and implement policies to manage interest costs for new loans and borrowings using a mix of fixed and floating rate debts.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if the interest rates have been 100 (2018: 100) basis points higher/lower with all other variables held constant, the Group's results for the financial year would not be materially affected as a result of higher/lower interest expenses on floating rate loans and borrowings.

33 Financial Risk Management (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(d) Foreign Currency Risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in foreign currencies; consequently exposures to exchange rate fluctuations arise. The foreign currencies in which these transactions are denominated are mainly United States Dollars ("USD").

To manage the foresaid foreign currency risk, the Group maintains a natural hedge, whenever possible, by depositing foreign currency proceeds from sales into foreign currency bank accounts which are primarily used for payments of purchases in the same currency denomination.

	Group	
	2019 USD S$'000	2018 USD S$'000
Financial assets		
Trade and other receivables	2,066	1,356
Cash and bank balances	763	1,265
	2,829	2,621
Net financial assets	2,829	2,621

If the following currencies strengthens by 5% (2018: 5%) against S$ at the reporting date, with all other variables being held constant, the effect arising from the net financial assets position will be as follows:

	Group (Decease)/Increase in profit/(loss) before tax	
	2019 S$'000	2018 S$'000
USD	(141)	131

A 5% weakening of S$ against the above currencies would have had the equal but opposite effect on the above currency to the amount shown above, on the basis that all other variables remain constant.

The Company has not disclosed its exposure to foreign currency risk as the Company's risk exposure is not significant.

33 Financial Risk Management (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(e) Market Risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price arising from its equity investment.

Sensitivity analysis for market risk

The sensitivity analysis has been determined based on the exposure to equity price risks at the end of the reporting period.

The Group's equity investment is listed on the Indonesia Stock Exchange ("IDX"). A 5% change in the equity price of the IDX listed equity investment measured at FVOCI would not result in a material variance in the fair value of the equity investment at the reporting date (2018: S$2,309,000).

At the date of authorisation of these financial statements, the TRIO's shares on the IDX remain suspended.

(f) Fair Value of Financial Instruments

The Group has established a control framework with respect to the measurement of fair values. This framework includes the finance team that reports directly to the Group's key management, and has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significantly unobservable inputs and valuation adjustments. If third party confirmation, such as broker quotes or pricing services, is used to measure fair value, then the finance team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I)s, including the level in the fair value hierarchy the resulting fair value estimate should be classified.

Significant valuation issues are reported to the Company's Audit and Risk Management Committee.

33 Financial Risk Management (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(f) Fair Value of Financial Instruments (cont'd)

Fair Value Hierarchy

The financial instruments that are measured subsequent to initial recognition at fair value are required disclosure of fair value measurements by level of the following fair value measurement hierarchy:

i. Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

ii. Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

iii. Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Information relating to the Group's equity investment measured at FVOCI is disclosed in Note 19.

The fair values of financial assets and financial liabilities with a maturity of less than one year, which are primarily cash and bank balances, trade and other receivables, trade and other payables, and short-term loans and borrowings, are assumed to approximate their carrying amounts because of the short-term maturity of these financial instruments.

The fair values of non-current other receivables and long-term loans and borrowings are calculated based on discounted expected future principal and interest cash flows. The discount rates used are based on market rates for similar instruments at the reporting date. The carrying amounts of these financial assets and financial liabilities are assumed to approximate their respective fair values. The Group does not anticipate that the carrying amounts recorded at the reporting date would be significantly different from the values that would eventually be received or settled.

34 Capital Management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2019 and 2018.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group will continue to review, formulate and implement policies to keep gearing ratio below 50%. The Group includes within net debt, loans and borrowings, trade and other payables less cash and bank balances.

	Group	
	2019	2018
	S$'000	S$'000
Loans and borrowings	4,934	4,527
Trade and other payables	1,720	729
Less: Cash and bank balances	(3,879)	(8,445)
Net debt/(cash)	2,775	(3,189)
Equity attributable to the equity holders of the Company	14,302	60,207
Capital and net debt	17,077	57,018
Gearing ratio	0.16	N.M.

N.M. – Not meaningful as the Group was in a net cash position.

35 Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has the following reportable operating segments:

I. The distribution segment engages in the distribution of mobile handsets and accessories for leading brands.

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

III. The retail consumer electronics segment engages in the retail sale of consumer electronics and related products in Singapore.

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

V. The corporate segment is involved in Group-level corporate services, treasury functions, investments and in marketable securities. It also involves in strategic investment and joint venture opportunities in emerging Southeast Asia markets to synergise and complement the Group's existing offerings.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

The accounting policies of the reportable operating segments are the same as described in Note 3. Transfer prices between operating segments are on an arm length's basis in a manner similar to transactions with third parties.

35 Segment Information (cont'd)

(a) Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations and discontinued operation by reportable operating segment:

	Segment revenue		Segment profit/(loss)	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Continuing operations				
Distribution	8,358	2,234	(22)	(204)
Trading Sale of Lifestyle Products	6,199	-	366	-
Retail Consumer Electronics	36,549	19,371	(178)	(556)
Customer Services	3,255	1,453	(171)	(4)
Corporate	-	-	173	(2,344)
	54,361	23,058	168	(3,108)
Share of results of associate			284	455
Interest income			55	69
Finance costs			(250)	(197)
Profit/(Loss) before income tax			257	(2,781)
Discontinued operation				
Retail Telecommunication with Franchise (comprising SingTel)*	-	20,928	-	2,754
Interest income			-	4
Finance costs			-	(32)
Profit before income tax**			-	2,726
	54,361	43,986	257	(55)

* Discontinued in the previous financial year as disclosed in Note 12(a).
** Included the gain on disposal of discontinued operation (Note 12(b)).

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales.

Segment profit/(loss) represents the profit/(loss) earned by each reportable operating segment prior to the allocation of share of results of associate, interest income and finance costs.

35 Segment Information (cont'd)

(b) Reconciliation

	Group	
	2019	2018
	S$'000	S$'000
Segment assets		
Continuing operations		
Distribution	2,774	1,474
Trading Sale of Lifestyle Products	3,252	-
Retail Consumer Electronics	3,733	2,195
Customer Services	1,053	365
Corporate*	9,211	60,949
Total segment assets	20,023	64,983
Unallocated: Investment in an associate	1,320	1,182
Consolidated total assets	21,343	66,165
Segment liabilities		
Continuing operations		
Distribution	26	12
Trading Sale of Lifestyle Products	33	-
Retail Consumer Electronics	1,664	493
Customer Services	1,090	222
Corporate	327	394
Total segment liabilities	3,140	1,121
Unallocated: Loans and borrowings	3,872	4,527
Consolidated total liabilities	7,012	5,648

* Included the Group's assets held-for-sale as disclosed in Note 22.

For the purposes of monitoring segment performance and allocating resources between each reportable operating segments:

- all assets are allocated to reportable segments other than investment in an associate; and
- all liabilities are allocated to reportable segments other than loans and borrowings.

35 Segment Information (cont'd)

(c) Other segment information

	Depreciation and amortisation		Additions to non-current assets	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Continuing operations				
Distribution	-	-	-	-
Trading Sale of Lifestyle Products	-	-	10	-
Retail Consumer Electronics	335	15	1,031	11
Customer Services	82	12	87	11
Corporate	267	425	53	16
	684	452	1,181	38
Discontinued operation				
Retail Telecommunication with Franchise (comprising SingTel)	-	155	-	30
	684	607	1,181	68

(d) Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Continuing operations				
Singapore	33,726	16,565	5,052	4,192
Hong Kong	10,122	4,272	-	-
Indonesia	80	217	-	46,184
Philippines	6,360	2,004	1,320	1,182
United States	4,073	-	-	-
	54,361	23,058	6,372	51,558
Discontinued operation				
Singapore	-	20,928	-	-
	54,361	43,986	6,372	51,558

Non-current assets information presented above consist of property, plant and equipment, investment properties, investment in an associate, other financial assets and intangible assets as presented in the consolidated statement of financial position.

35 Segment Information (cont'd)

(d) Geographical information (cont'd)

Information about major customers

Revenues from 3 major customers amount to S$17,240,000 (2018: S$8,554,000) arising from sales by the retail sales segment.

36 Events Occurring After The Reporting Period

The Company entered into an Option to Purchase Agreement with a third party purchaser (the "Purchaser") on 12 March 2020, where the Company has granted an option to the Purchaser to purchase one of the Company's properties that were classified under assets held-for-sale as disclosed in Note 22. The Option to Purchase Agreement was exercised on 26 March 2020.

37 Authorisation of Financial Statements for Issue

The financial statements for the financial year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 9 April 2020.

STATISTICS OF SHAREHOLDINGS

As of 13 March 2020

Issued and fully paid-up capital	:	$407,519,502
No. of shares issued	:	17,053,169,818 Ordinary shares
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

The Company has no outstanding convertible securities, treasury shares or subsidiary holdings as at 13 March 2020.

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	302	2.84	4,126	0.00
100 – 1,000	6,845	64.42	2,172,043	0.01
1,001 - 10,000	866	8.15	3,089,798	0.02
10,001 - 1,000,000	2,406	22.64	462,903,384	2.71
1,000,001 and above	207	1.95	16,585,000,467	97.26
Total	10,626	100.00	17,053,169,818	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1	Raffles Nominees (Pte) Ltd	8,734,453,563	51.22
2	DBSN Services Pte Ltd	6,729,406,189	39.46
3	Ong Kok Wah	70,000,000	0.41
4	Liu Kevin Yi Feng	60,000,000	0.35
5	DBS Nominees Pte Ltd	58,299,683	0.34
6	Low Woon Ming	53,600,000	0.32
7	Citibank Nominees Singapore Pte Ltd	53,132,565	0.31
8	Lee Jessie	41,308,170	0.24
9	OCBC Securities Private Limited	32,618,540	0.19
10	Ang Chin San	28,431,000	0.17
11	CGS-CIMB Securities (Singapore) Pte Ltd	28,163,915	0.17
12	United Overseas Bank Nominees Pte Ltd	26,837,120	0.16
13	Phillip Securities Pte Ltd	22,776,390	0.13
14	OCBC Nominees Singapore Pte Ltd	22,486,700	0.13
15	Lim Kian Hong (Lim Jian Hong)	21,000,000	0.12
16	Zeng Hang Cheng	20,868,500	0.12
17	Tengku Sinannaga @ Cheng Min Siong @ Zeng Ming Xiong	16,601,900	0.10
18	Teo Ngee Hua	16,000,443	0.09
19	Lim Woei Ming Michael	15,000,000	0.09
20	Law Peng Kwee	13,972,000	0.08
	Total	**16,064,956,678**	**94.20**

STATISTICS OF SHAREHOLDINGS
As of 13 March 2020

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 13 March 2020.

Name of Substantial Shareholder	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Sugiono Wiyono Sugialam	326,003,652	1.91	(1) 10,469,189,374	61.39	10,795,193,026	63.30
Tres Maria Capital Ltd	(2) 3,867,140,015	22.68	(3) 4,065,786,837	23.84	7,932,926,852	46.52
PT SL Trio	2,536,262,522	14.87	-	-	2,536,262,522	14.87
(4) Standard Chartered Private Equity Limited	-	-	(3) 4,065,786,837	23.84	4,065,786,837	23.84
(5) Standard Chartered Asia Limited	-	-	(3) 4,065,786,837	23.84	4,065,786,837	23.84
(6) Standard Chartered MB Holdings B.V.	-	-	(3) 4,065,786,837	23.84	4,065,786,837	23.84
(7) Standard Chartered Holdings (International) B.V.	-	-	(3) 4,065,786,837	23.84	4,065,786,837	23.84
(8) SCMB Overseas Limited	-	-	(3) 4,065,786,837	23.84	4,065,786,837	23.84
(9) Standard Chartered Bank	-	-	(3) 4,065,786,837	23.84	4,065,786,837	23.84
(10) Standard Chartered Holdings Limited	-	-	(3) 4,065,786,837	23.84	4,065,786,837	23.84
(10) Standard Chartered PLC	-	-	(3) 4,065,786,837	23.84	4,065,786,837	23.84
(11) Augusta Investments Zero Pte.Ltd.	4,406,850,233	25.84	-	-	4,406,850,233	25.84
(11,12) Augusta AB Holdco Pte. Ltd.	-	-	4,406,850,233	25.84	4,406,850,233	25.84
(12,13) Augusta Fundco Pte. Ltd	-	-	4,406,850,233	25.84	4,406,850,233	25.84
(13,14) Augusta Fund 1, LP	-	-	4,406,850,233	25.84	4,406,850,233	25.84
(14) Augusta GP Pte. Ltd.	-	-	4,406,850,233	25.84	4,406,850,233	25.84
(14,15) Affirma Capital Managers (Singapore) Pte. Ltd.	-	-	4,406,850,233	25.84	4,406,850,233	25.84
(14,15,16) Affirma Capital (Singapore) Pte. Ltd.	-	-	4,406,850,233	25.84	4,406,850,233	25.84
(16) Affirma Capital Limited	-	-	4,406,850,233	25.84	4,406,850,233	25.84

Notes:

(1) This represents Mr Sugiono Wiyono Sugialam's deemed interest of :-

(a) 7,932,926,852 shares held by Tres Maria Capital Ltd. by virtue of his 100% shareholdings in Tres Maria Capital Ltd; and
(b) 2,536,262,522 shares held by PT SL Trio by virtue of his majority shareholdings in PT SL Trio.

(2) Tres Maria Capital Ltd's direct interest of 3,867,140,015 shares are registered in the name of DBSN Service Pte. Ltd..

(3) On 6 August 2014, Tres Maria Capital Ltd and Standard Chartered Private Equity Limited entered into a security agreement over shares ("the Deed") whereby, *inter alia*, Tres Maria Capital Ltd agreed to charge in favour of Standard Chartered Private Equity Limited by way of first mortgage, 4,236,318,535 shares in the capital of Polaris Ltd.

On 15 October 2014, pursuant to the provisions of the Deed, a notice of the mortgage and assignment has been issued by the relevant parties for the purposes of creating the charge over the shares.

On 27 May 2015, Tres Maria Capital Ltd and Standard Chartered Private Equity Limited entered into a Deed of Partial Release, pursuant to which, *inter alia*, Standard Chartered Private Equity Limited agreed to release its security over, and reassign, 170,531,698 Shares ("Released Shares"), and Tres Maria Capital Ltd agreed to transfer the Released Shares to Standard Chartered Private Equity Limited immediately following the release and reassignment.

(4) Standard Chartered Private Equity Limited is a wholly owned subsidiary of Standard Chartered Asia Limited.

(5) Standard Chartered Asia Limited is a 99.9% owned subsidiary of Standard Chartered MB Holdings B.V..

(6) Standard Chartered MB Holdings B.V. is a wholly owned subsidiary of Standard Chartered Holdings (International) B.V..

(7) Standard Chartered Holdings (International) B.V. is a wholly owned subsidiary of SCMB Overseas Limited.

(8) SCMB Overseas Limited is a wholly owned subsidiary of Standard Chartered Bank.

(9) Standard Chartered Bank is a wholly owned subsidiary of Standard Chartered Holdings Limited.

(10) Standard Chartered Holdings Limited is a wholly owned subsidiary of Standard Chartered PLC.

(11) Augusta Investments Zero Pte. Ltd. is a wholly owned subsidiary of Augusta AB Holdco Pte. Ltd..

(12) Augusta AB Holdco Pte. Ltd. is a wholly owned subsidiary of Augusta Fundco Pte. Ltd..

(13) Augusta Fundco Pte. Ltd. is a wholly owned subsidiary of Augusta Fund 1, LP.

(14) Augusta GP Pte. Ltd. is the general partner of Augusta Fund 1, LP. and a wholly owned subsidiary of Affirma Capital (Singapore) Pte. Ltd..

(15) Affirma Capital Managers (Singapore) Pte. Ltd. is the fund manager of Augusta Fund 1, LP and a wholly owned subsidiary of Affirma Capital (Singapore) Pte. Ltd..

(16) Affirma Capital (Singapore) Pte. Ltd. is a wholly owned subsidiary of Affirma Capital Limited.

FREE FLOAT

As at 13 March 2020, approximately 10.45% of the issued ordinary shares of the Company are held in the hands of the public (on the basis of information available to the Company).

Accordingly, the Company has complied with Rule 723 of the Catalist Rules that an issuer must ensure that at least 10% of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is at all times held by the public.

RULE 1204(7)

A statement (as at the 21st day after the end of the financial year) showing the direct and deemed interests of each Director of the Company in the Company's shares and convertible securities has been disclosed in the Directors' Statement on page 44 to 45 of this annual report, and the word "debentures" as stated therein should be read to include all convertible securities.

SUMMARY OF RESOLUTIONS TO BE TABLED AT THE AGM TO BE HELD ON OR BEFORE 29 JUNE 2020

In view of the current COVID-19 situation and the extension of time to hold the Annual General Meeting for the financial year ended 31 December 2019 ("**AGM**") obtained by Polaris Ltd. (the "**Company**") from the Accounting and Corporate Regulatory Authority and the Singapore Exchange Regulation on 3 April 2020 and 6 April 2020 respectively (the "**Extension of Time**"), the Annual General Meeting of the Company will be held on or before the 29th day of June 2020 at a venue and time to be determined again for the purposes set out below. As disclosed in the Company's announcement dated 7 April 2020 in relation to the Extension of Time, the notice of AGM, along with the proxy form and any further details and instructions to shareholders, will be issued by 7 June 2020. To give shareholders sufficient time to consider and deliberate the proposed resolutions to be tabled at the AGM, a summary of the proposed resolutions is set out below.

Shareholders should note that the proposed resolutions set out below are indicative only and the final form of the resolutions will be included in the notice of AGM and proxy form to be issued at a later date and in any case by 7 June 2020. Shareholders should also note that the proposed resolutions below may be subject to change due to unforeseen circumstances.

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2019 together with the Directors' Statement and Auditors' Report thereon. — Resolution 1

2. To re-elect Mr Masahiko Yabuki who is retiring pursuant to Article 86 of the Company's Constitution and who, being eligible, offered himself for re-election.
[See Explanatory Notes] — Resolution 2

3. To re-elect Ms Diana Airin who is retiring pursuant to Article 93 of the Company's Constitution and who, being eligible, offered herself for re-election.
[See Explanatory Notes] — Resolution 3

4. To re-elect Ms Evy Soenarjo who is retiring pursuant to Article 93 of the Company's Constitution and who, being eligible, offered herself for re-election.
[See Explanatory Notes] — Resolution 4

5. To re-appoint Moore Stephens LLP as the Auditors of the Company until the conclusion of the Company's next Annual General Meeting and authorise the Directors of the Company to fix their remuneration. — Resolution 5

6. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

7. To approve Directors' fees of S$65,000 for the financial year ended 31 December 2019 (2018: S$67,917). — Resolution 6

To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modification:

8. Authority to allot and issue shares

   THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "Act") and Rule 806 of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist (the "Catalist Rules"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) issue shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (b) (notwithstanding that the authority conferred by this Ordinary Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this

Ordinary Resolution was in force,

provided that:

(i) the aggregate number of Shares to be issued pursuant to this Ordinary Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution) does not exceed 100% of the total number of issued shares in the capital of the Company excluding treasury shares and subsidiary holdings (as calculated in accordance with sub paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution) does not exceed 50% of the total number of issued shares in the capital of the Company excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued shares shall be based on the total number of issued shares in the capital of the Company excluding treasury shares and subsidiary holdings at the time of passing of this Ordinary Resolution, after adjusting for:

(1) new Shares arising from the conversion or exercise of any convertible securities ;

(2) new Shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time which are outstanding or subsisting at the time of passing of this Ordinary Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of Catalist Rules; and

(3) any subsequent bonus issue, consolidation or subdivision of Shares;

(iii) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(iv) unless revoked or varied by the Company at general meeting, the authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier; and

(c) the Directors be and are hereby authorised to do any and all acts which they deem necessary and expedient in connection with paragraphs (a) and (b) above.

Resolution 7

SUMMARY OF RESOLUTIONS TO BE TABLED AT THE AGM TO BE HELD ON OR BEFORE 29 JUNE 2020

Explanatory Notes

On Ordinary Business

In relation to item 2, Mr Masahiko Yabuki will, upon re-election as a Director of the Company, remain as an Independent Non-Executive Director of the Company, the Chairman of the Audit and Risk Management Committee and a member of the Nominating and Remuneration Committees. The Board considers him to be independent for the purpose of Rule 704(7) of the Catalist Rules.

There are no relationships (including immediate family relationships) between Mr Masahiko Yabuki and the other Directors, the Company or the substantial shareholder(s) of the Company. Mr Masahiko Yabuki does not hold any directorship in another listed company.

In relation to item 3, Ms Diana Airin will, upon re-election as a Director of the Company, remain as an Independent Non-Executive Director of the Company, a member of the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee. The Board considers her to be independent for the purpose of Rule 704(7) of the Catalist Rules.

There are no relationships (including immediate family relationships) between Ms Diana Airin and the other Directors, the Company or the substantial shareholder(s) of the Company. Ms Evy Soenarjo does not hold any directorship in another listed company.

In relation to item 4, Ms Evy Soenarjo will, upon re-election as a Director of the Company, remain as a Non-Independent Non-Executive Director of the Company, a member of the Audit and Risk Management Committee and Remuneration Committee.

There are no relationships (including immediate family relationships) between Ms Evy Soenarjo and the other Directors, the Company or the substantial shareholder(s) of the Company. Ms Evy Soenarjo does not hold any directorship in another listed company.

Detailed information on Mr Masahiko Yabuki, Ms Diana Airin and Ms Evy Soenarjo can be found under the “Board of Directors” and “Corporate Governance Report” sections in the Company’s Annual Report.

On Special Business

Statement Pursuant to Article 57(3) of the Company's Constitution

The effect of the resolutions under the heading "Special Business" are:-

(i) The Ordinary Resolution 6 proposed in item 7 above is to approve the payment of Directors' fees for the financial year ended 31 December 2019.

(ii) The Ordinary Resolution 7 proposed in item 8 above is to allow the Directors of the Company from the date of that meeting until the next Annual General Meeting to issue further shares in the Company. The maximum number of shares which the Directors may issue under this resolution shall not exceed the quantum set out in the resolution.

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