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

UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement and Statement of Comprehensive Income

	Group					
	Three Months Ended			Twelve Months Ended		
	31 Dec 2019	31 Dec 2018 (Restated)*	Inc/(Dec)	31 Dec 2019	31 Dec 2018 (Restated)*	Inc/(Dec)
	S$'000	S$'000	%	S$'000	S$'000	%
CONTINUING OPERATIONS						
Revenue ***(Note 1)*	18,019	10,766	67	54,361	23,058	136
Cost of Sales **	(17,120)	(10,218)	68	(51,390)	(21,435)	140
Gross profit	899	548	64	2,971	1,623	83
Other Items of income						
Interest income	3	26	(88)	55	69	(20)
Other income *(Note 2)*	39	68	(43)	139	181	(23)
Other items of expense						
Marketing and distribution	(46)	(16)	188	(63)	(55)	15
Administrative expenses **	(376)	(733)	(49)	(2,139)	(2,939)	(27)
Finance costs	(81)	(55)	47	(250)	(197)	27
Other expenses *(Note 3)*	(600)	(229)	162	(740)	(1,918)	(61)
Share of results of associate	169	136	24	284	455	(38)
Profit/(Loss) before income tax	7	(255)	N.M.	257	(2,781)	N.M.
Income tax	(1)	(50)	(98)	(1)	(50)	(98)
Profit/(Loss) from continuing operations, net of tax	**6**	**(305)**	**N.M.**	**256**	**(2,831)**	**N.M.**
DISCONTINUED OPERATION						
Profit from discontinued operation	-	-	N.M.	-	2,721	N.M.
Profit/(Loss) for the year	**6**	**(305)**	**N.M.**	**256**	**(110)**	**N.M.**
Attributable to:						
Equity holders of the Company						
(Loss)/Profit from continuing operations, net of tax	(25)	(373)	(93)	205	(2,494)	N.M.
Profit from discontinued operations, net of tax	-	-	N.M.	-	2,721	N.M.
Profit for the period attributable to equity holders of the Company	**(25)**	**(373)**	**(93)**	**205**	**227**	**(10)**
Non-controlling interests						
Profit/(Loss) from continuing operations, net of tax	31	68	(54)	51	(337)	N.M.
Profit/(Loss) for the year	**6**	**(305)**	**N.M.**	**256**	**(110)**	**N.M.**
Other comprehensive income):						
Items that may not be reclassified subsequently to profit or loss						
Net gain/(loss) on the fair value changes of equity instruments at fair value through other comprehensive loss	-	4,638	N.M.	(46,184)	46,184	N.M.
Items that may be reclassified subsequently to profit or loss						
Exchange differences on translation	(10)	18	(156)	3	37	(92)
Other comprehensive income/(loss) for the year, net of tax	**(10)**	**4,656**	**N.M.**	**(46,181)**	**46,221**	**N.M.**
Total comprehensive income/(loss) for the year	**(4)**	**4,351**	**N.M.**	**(45,925)**	**46,111**	**N.M.**
Attributable to:						
Equity holders of the Company	(35)	4,419	N.M.	(45,976)	46,448	N.M.
Non-controlling interests	31	(68)	N.M.	51	(337)	N.M.
Total comprehensive income/(loss) for the year	**(4)**	**4,351**	**N.M.**	**(45,925)**	**46,111**	**N.M.**

	Three Months Ended			Twelve Months Ended		
	31 Dec 2019	31 Dec 2018 (Restated)*	Inc/(Dec)	31 Dec 2019	31 Dec 2018 (Restated)*	Inc/(Dec)
Note 1 - Revenue	S$'000	S$'000	%	S$'000	S$'000	%
Distribution sale of mobile handsets and accessories	2,902	1,385	110	8,358	2,234	274
Retail sale of consumer electronics and related products	11,967	8.874	35	36,549	19,371	89
Customer service**	964	507	90	3,255	1,453	124
Trading sale of lifestyle products	2,186	-	N.M.	6,199	-	N.M.
	18,019	10,766	67	54,361	23,058	136

	Three Months Ended			Twelve Months Ended		
	31 Dec 2019	31 Dec 2018 (Restated)*	Inc/(Dec)	31 Dec 2019	31 Dec 2018 (Restated)*	Inc/(Dec)
Note 2 – Other income	S$'000	S$'000	%	S$'000	S$'000	%
Rental income	30	29	3	104	111	(6)
Other miscellaneous income[(1)]	9	39	(77)	35	70	(50)
	39	68	(43)	139	181	(23)

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

	Three Months Ended			Twelve Months Ended		
	31 Dec 2019	31 Dec 2018 (Restated)*	Inc/(Dec)	31 Dec 2019	31 Dec 2018 (Restated)*	Inc/(Dec)
Note 3 – Other expenses	S$'000	S$'000	%	S$'000	S$'000	%
Depreciation of property, plant and equipment	(59)	(85)	(31)	(306)	(362)	(15)
Depreciation and amortisation of ROU asset	(378)	-	N.M.	(378)	-	N.M.
Depreciation of investment property	-	(23)	N.M.	-	(90)	N.M.
Loan receivable written off	-	(7)	N.M.	-	(1,117)	N.M.
Net gain/(loss) on asset transfer	-	(79)	N.M.	78	(339)	N.M.
Net loss on liquidation of subsidiary	(76)	-	N.M.	(76)	-	N.M.
Net gain on disposal of property, plant and equipment	-	-	N.M.	1	6	(83)
Inventories written-down	(22)	(17)	29	(23)	(17)	35
Net foreign exchange gain/(loss)	(65)	(18)	261	(36)	1	N.M.
	(600)	(229)	162	(740)	(1,918)	(61)

N.M. denotes Not Meaningful

** In FY2018, the Company disposed of its wholly-owned subsidiary, Polaris Telecom Pte Ltd. The comparatives for the year ended 31 Dec 2018 have been re-presented accordingly as discontinued operation.*

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

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

Consolidated Balance Sheet

	Group		Company	
	31 Dec 2019 S$'000	31 Dec 2018 S$'000	31 Dec 2019 S$'000	31 Dec 2018 S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	5,052	4,192	3,932	4,147
Investment in subsidiaries	-	-	3,039	3,761
Investment in an associate	1,320	1,182	-	-
Other financial assets	-	46,184	-	46,184
Other receivables	-	-	3,568	-
	6,372	51,558	10,539	54,092
Current assets				
Trade and other receivables	7,323	2,530	4	22
Inventories	852	748	-	-
Assets held-for-sale	2,826	2,826	2,826	2,826
Prepayments	91	58	71	27
Cash and cash equivalents	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**
EQUITY AND LIABILITIES				
Current liabilities				
Borrowings (*Note 4)*	622	231	242	231
Trade and other payables	1,720	729	943	1,400
Other liabilities	358	342	167	169
Provision for income tax	-	50	-	50
	2,700	1,352	1,352	1,850
Net current assets	12,271	13,255	3,927	7,617
Non-current liabilities				
Borrowings (*Note 4)*	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**
Net assets	**14,331**	**60,517**	**10,836**	**57,413**
Equity attributable to equity holders of the Company				
Share capital	402,747	402,747	402,747	402,747
Fair value adjustment	-	46,184	-	46,184
Foreign currency translation reserve	(473)	(574)	-	-
Accumulated losses	(387,972)	(388,150)	(391,911)	(391,518)
	14,302	60,207	10,836	57,413
Non-controlling interests	29	310	-	-
Total equity	**14,331**	**60,517**	**10,836**	**57,413**
Total equity and liabilities	**21,343**	**66,165**	**15,818**	**63,559**

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

	As at 31 Dec 2019		As at 31 Dec 2018	
	Secured	Unsecured	Secured	Unsecured
Note 4 – Borrowings	S$'000	S$'000	S$'000	S$'000
Current:				
Commercial property loans	171		171	-
Investment property loans	71	-	60	-
Lease liabilities	380	-	-	-
Amount repayable in one year or less, or on demand	622	-	231	-
Non-current:				
Commercial property loans	2,667		3,263	-
Investment property loans	963	-	1,033	-
Lease liabilities	6821	-	-	-
Amount repayable after one year	4,312	-	4,296	-
	4,934	**-**	**4,527**	**-**

First commercial properties loan

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

Second commercial properties loan

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

First Investment properties loan

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

Lease Liabilities

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

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

Consolidated Cash Flow Statement

	Three Months Ended		Twelve Months Ended	
	31 Dec 2019	31 Dec 2018 (Restated)*	31 Dec 2019	31 Dec 2018 (Restated)*
	S$'000	S$'000	S$'000	S$'000
OPERATING ACTIVITIES				
Profit/(Loss) before income tax from continuing operations	7	(255)	257	(2,781)
Profit before income tax from discontinued operation	-	-	-	2,726
Profit/(Loss) before income tax	7	(255)	257	(55)
Adjustments for:				
Amortisation of intangible assets	-	-	-	84
Depreciation of property, plant and equipment	59	85	306	433
Depreciation and amortisation of ROU asset	378	-	378	-
Depreciation of investment properties	-	23	-	90
Finance costs	81	55	250	229
Interest income	(3)	(26)	(55)	(73)
Loan receivables written off	-	7	-	1,117
Inventories written-down	22	17	23	17
Reversal/Net loss on asset transfer	-	339	(78)	339
Net gain on disposal of subsidiaries	-	-	-	(2,153)
Net loss on liquidation of subsidiary	76	-	76	-
Net gain on disposal of property, plant and equipment	(1)	-	(1)	(10)
Share of results of associate	(169)	(136)	(284)	(455)
Unrealised exchange loss	(57)	(4)	(8)	(4)
Total adjustments	386	360	607	(386)
Operating cash flows before changes in working capital	393	105	864	(441)
Changes in working capital				
(Increase)/ Decrease in:				
Inventories	141	109	(127)	(253)
Trade and other receivables	(965)	(293)	(5,132)	2,883
Prepayments	(23)	60	(33)	27
Increase/ (Decrease) in:				
Trade and other payables	628	(257)	990	(2,619)
Other liabilities	169	85	94	(162)
Total changes in working capital	(50)	(296)	(4,208)	(124)
Cash flows generated from/(used in) operations	343	(191)	(3,344)	(565)
Interest received	3	26	55	73
Interest paid	(59)	(56)	(228)	(229)
Income tax paid	(1)	-	(51)	-
Net cash flows generated from/(used in) operating activities	287	(221)	(3,568)	(721)
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(12)	(4)	(112)	(68)
Proceed from disposal of property, plant and equipment	1	-	1	17
Dividend received from associate	2	-	148	-
Net cash inflow from disposal of subsidiary	-	-	-	4,610
Net cash outflow on asset transfer	-	(262)	-	(262)
Decrease in pledged fixed deposits	-	-	-	1,010
Net cash flows (used in)/generated from investing activities	(9)	(266)	37	5,307
FINANCING ACTIVITIES				
Repayment of bank loans	(61)	(61)	(655)	(251)
Principal payment of lease liabilities	(419)	-	(419)	-
Net cash flows used in financing activities	(480)	(61)	(1,074)	(251)
Net (decrease)/increase in cash and cash equivalents	(202)	(548)	(4,605)	4,335
Cash and cash equivalents at the beginning of the year	4,006	8,979	8,445	4,075
Effect of exchange rate changes on cash and cash equivalents	75	14	39	35
Cash and cash equivalents at end of the year	3,879	8,445	3,879	8,445

** In FY2018, the Company disposed of its wholly-owned subsidiary, Polaris Telecom Pte Ltd. The comparatives for the year ended 31 Dec 2018 have been re-presented accordingly as discontinued operation*

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statements of Change in Equity:

2019 Group	Total	Share capital	Accumulated losses	Fair value adjustment	Foreign currency translation reserve	Non-controlling interests
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Opening balance at 1 January 2019	**60,517**	**402,747**	**(388,150)**	**46,184**	**(574)**	**310**
Adoption of SFRS(I) 16	(27)	-	(27)	-	-	-
Adjusted balance as at 1 January 2019*	**60,490**	**402,747**	**(388,177)**	**46,184**	**(574)**	**310**
Profit for the period	250	-	230	-	-	20
Other comprehensive (loss)/income						
Fair value adjustment	(46,184)	-	-	(46,184)	-	-
Foreign currency translation	13	-	-	-	13	-
Other comprehensive (loss)/income for the period, net of tax	**(46,171)**	**-**	**-**	**(46,184)**	**13**	**-**
Total comprehensive (loss)/income for the period	(45,921)	-	230	(46,184)	13	20
Closing balance at 30 September 2019*	**14,569**	**402,747**	**(387,947)**	**-**	**(561)**	**330**
Profit for the period	6	-	(25)	-	-	31
Other comprehensive (loss)/income						
Fair value adjustment	-	-	-	-	-	-
Foreign currency translation	(10)	-	-	-	(10)	-
Other comprehensive (loss)/income for the period, net of tax	**(10)**	**-**	**-**	**-**	**(10)**	**-**
Total comprehensive (loss)/income for the period	(4)	-	(25)	-	(10)	31
Liquidation of a subsidiary	(234)	-	-	-	98	(332)
Closing balance at 31 December 2019	**14,331**	**402,747**	**(387,972)**	**-**	**(473)**	**29**

2018 Group	Total	Share capital	Accumulated losses	Fair value adjustment	Foreign currency translation reserve	Non-controlling interests
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Opening balance at 1 January 2018	**14,406**	**402,747**	**(388,377)**	**-**	**(611)**	**647**
Profit/(Loss) for the period	195	**-**	600	**-**	**-**	(405)
Other comprehensive income						
Fair value adjustment	41,546	**-**	**-**	41,546	-	**-**
Foreign currency translation	19	**-**	**-**	**-**	19	**-**
Other comprehensive income for the period, net of tax	**41,565**	**-**	**-**	**41,546**	**19**	**-**
Total comprehensive income/(loss) for the period	41,760	-	600	41,546	19	(405)
Closing balance at 30 September 2018	**56,166**	**402,747**	**(387,777)**	**41,546**	**(592)**	**242**
(Loss)/Profit for the period	**(305)**	**-**	**(373)**	**-**	**-**	**68**
Other comprehensive income						
Fair value adjustment	4,638	-	-	4,638	-	-
Foreign currency translation	18	-	-	-	18	-
Other comprehensive income/(loss) for the period, net of tax	**4,656**	**-**	**-**	**4,638**	**18**	**-**
Total comprehensive income/(loss) for the period	4,351	-	(373)	4,638	18	68
Closing balance as at 31 December 2018	**60,517**	**402,747**	**(388,150)**	**46,184**	**(574)**	**310**

***** *The adjusted balance as at 1 January 2019 and the closing balance as at 30 September 2019 were adjusted following our adoption of SFRS(I) 16. Please refer to Note 5 for further details.*

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

2018 Company	Total	Share capital	Accumulated losses	Fair value adjustment
	S$'000	S$'000	S$'000	S$'000
Opening balance at 1 January 2018	**9,334**	**402,747**	**(393,413)**	**-**
Profit for the period	3,831	-	3,831	-
Other comprehensive income				
Fair value adjustment	41,546	-	-	41,546
Other comprehensive income for the period, net of tax	41,546	-	-	41,546
Total comprehensive income/(loss) for the period	45,377	-	3,831	41,546
Closing balance at 30 September 2018	**54,711**	**402,747**	**(389,582)**	**41,546**
Loss for the period	(1,936)	-	(1,936)	-
Other comprehensive income				
Fair value adjustment	4,638	-	-	4,638
Other comprehensive income for the period, net of tax	4,638	-	-	4,638
Total comprehensive income/(loss) for the period	2,702	-	(1,936)	4,638
Closing balance at 31 December 2018	**57,413**	**402,747**	**(391,518)**	**46,184**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of outstanding in a class that is listed at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in Company's Share Capital:

There were no changes in the Company's share capital for the financial period ended 31 December 2019. There were no outstanding convertibles, treasury shares or subsidiary holdings as at 31 December 2019 and 31 December 2018.

	Number of issued shares ('000)	Issued and paid-up share capital (S$'000)
Balance as at 30 September 2019 (excluding treasury shares and subsidiary holdings)	17,053,170	402,747
Balance as at 31 December 2019 (excluding treasury shares and subsidiary holdings)	17,053,170	402,747

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

	As at 31 December 2019 ('000)	As at 31 December 2018 ('000)
Total number of issued shares (excluding treasury shares and subsidiary holdings)	17,053,170	17,053,170

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

Not applicable as the Company did not hold any treasury shares at the beginning and end of the financial period reported.

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

Not applicable as there are no subsidiary holdings at the beginning and end of the financial period reported.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The financial statements presented above have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

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

Not applicable. The Company's latest audited financial statements (for the financial year ended 31 December 2018) are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of both the financial statements for the current reporting period as well as the audited financial statements for the financial year ended 31 December 2018 except as explained in Note 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reason for, and the effect of, the change.

Adoption of SFRS(I) 16

From this announcement, the Group has adopted SFRS(I) 16 effective 1 January 2019 and based on a permitted transition approach that does not restate comparative information, but recognises the cumulative effect of initially applying SFRS(I) 16 as an adjustment to the opening balance of accumulated losses on 1 January 2019. The Group has elected the transition option to record, in respect of leases previously classified as operating leases, the right-of-use ("**ROU**") assets on 1 January 2019 at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments as at 31 December 2018.

On the adoption of SFRS(I) 16, the Group has recognised ROU assets of S$0.36 million and lease liabilities of S$0.39 million for its leases previously classified as operating leases as at 1 January 2019. The difference between the ROU and lease liabilities of S$0.03 million is adjusted to the opening accumulated losses. There are no significant changes to the accounting by the Group as a lessor.

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

	Three Months Ended		Twelve Months Ended	
	31 Dec 2019	31 Dec 2018 (Restated)*	31 Dec 2019	31 Dec 2018 (Restated)*
	S$'000	S$'000	S$'000	S$'000
Continuing operations: Profit/(loss) for the period attributable to owners of the Company used in the computation of basic earnings per share	(25)	(373)	205	(2,494)
	No. of shares '000	No. of shares '000	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for basic earnings per share computation	17,053,170	17,053,170	17,053,170	17,053,170
(Loss)/Earnings per share attributable to owners of the Company (cents per share)				
Basic	(0.0001)	(0.0022)	0.0012	(0.0146)
Diluted	(0.0001)	(0.0022)	0.0012	(0.0146)

** In FY2018, the Company disposed of its wholly-owned subsidiary, Polaris Telecom Pte Ltd. The comparatives for the financial year ended 31 Dec 2018 have been re-presented accordingly as discontinued operation.*

The basic earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

The diluted earnings per share is calculated on the same basis as basic earnings per share except that the denominator is adjusted to include any dilutive potential of ordinary shares deemed issued pursuant to the exercise of any outstanding convertibles at the beginning of each financial period. However, as disclosed above, there were no outstanding convertibles as at 31 Dec 2019 and 31 Dec 2018.

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

	Group		Company	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Net asset value per ordinary share is calculated based on 17,053,169,818 (31 Dec 18: 17,053,169,818) ordinary shares in issue at the end of the period under review and of the immediate preceding financial year (S$ cents per share)	0.08	0.35	0.06	0.34

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

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

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

(a) Turnover, costs and earnings

For the financial year ended 31 December 2019 ("**FY2019**"), the Group recorded a turnover of S$54.36 million, representing an increase of 136% over the turnover of the corresponding year ended 31 December 2018 ("**FY2018**") of S$23.06 million. This increase was mainly due to higher turnover from all the operating segments as a result of a rise in customers' demand. The distribution sales of mobile handset & accessories increased by 274% from S$2.23 million in FY2018 to S$8.36 million in FY2019. In addition, the retail sale of computer electronics and related product increased by 89% from S$19.37 million in FY2018 to S$36.55 million in FY2019, while the turnover from the customer service segment increased by 124% from S$1.46 million in FY2018 to S$3.26 million in FY2019. The trading sale of lifestyle products segment saw a turnover of S$6.20 million in FY2019.

The Group's cost of sales increased by 140% from S$21.43 million in FY2018 to S$51.39 million in FY2019, such increase being in line with the increase in the Group's turnover from FY2018 to FY2019 as described above.

Due to the higher turnover of the Group in FY2019 as described above, the Group's gross profit increased 83% from S$1.62 million in FY2018 to S$2.97 million in FY2019.

The Group's interest income is derived from fixed deposits placed with the bank. Interest income decreased by 22% from S$0.07 million in FY2018 to S$0.05 million in FY2019 due to lower fixed deposit placement. Other income decreased by 23% from S$0.18 million in FY2018 to S$0.14 million in FY2019, and this was mainly due to lower government grants received as well as a decrease in rental income as only two of the three investment properties were leased out in FY2019. This decrease in rental income was offset by the rental of the commercial property held-for-sale which was leased out in September 2019.

Marketing and distribution expenses increased by 15% from S$0.05 million in FY2018 to S$0.06 million in FY2019 was mainly due to higher sales and marketing and travelling expenses. Administrative expenses decreased by 27% from S$2.94 million in FY2018 to S$2.14 million in FY2019 mainly due to lower professional fees incurred and reduced rental for our retail shop.

The Group's finance cost increased by 27% from S$0.20 million in FY2018 to S$0.25 million in FY2019. This increase was partially owing to the recognition of finance cost on lease liabilities following the adoption of SFRS(I) 16. The finance cost on lease liabilities was S$0.02 million in FY2019, while there was no such finance cost in FY2018.

Other expenses decreased by 61% from S$1.92 million in FY2018 to S$0.74 million in FY2019. This decrease was due to several things, namely (a) lower depreciation of property, plant and equipment of S$0.31 million in FY2019 as compared to S$0.36 million in FY2018, (b) no loan receivable written off in FY2019 as compared to S$1.11 million in FY2018, (c) reversal of loss on asset transfer of S$0.08 million in FY2019 as compared to a net loss on asset transfer of S$0.34 million in FY2018 (the asset transfer was announced by the Company on SGXNET on 6 September 2018), (d) a net loss of S$0.08 million in FY2019 on liquidation of subsidiaries, Polaris KKC Holdings Pte Ltd and CM Polaris Pte Ltd (the liquidation as announced by the Company on SGXNET on 13 June 2019 and 25 November 2019), (e) impairment on slow moving inventories increased by 35% from S$0.02 million in FY2018 as compared to S$0.03 million in FY2019, and (f) a net loss on foreign exchange of S$0.04 million in FY2019 from a net gain on foreign exchange of S$0.01 million in FY2018.

The Group posted a net profit from continuing operations of S$0.26 million for FY2019 as compared to a net loss of S$0.11 million in FY2018 mainly due to an increase in turnover.

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

The Group's total assets decreased by $44.83 million from S$66.17 million as at 31 December 2018 to S$21.34 million as at 31 December 2019 mainly due to the net loss on fair value of other financial assets.

Property, plant and equipment comprised of property, plant and equipment and ROU assets. Property, plant and equipment increased to S$5.05 million as at 31 December 2019 as compared to S$4.19 million as at 31 December 2018 mainly due to the recognition of ROU assets in FY2019 following the adoption of SFRS(I) 16. The ROU assets as at 31 December 2019 is S$1.05 million and is mainly related to leases of the retail outlet and motor vehicles. The property, plant and equipment decreased to S$4 million as at 31 December 2019 as compared to S$4.19 million as at 31 December 2018 owing to a depreciation charge of S$0.31 million offset by additions of property, plant and equipment of S$0.11 million.

Investment in an associate increased to S$1.32 million as at 31 December 2019 as compared to S$1.18 million as at 31 December 2018 owing to share of profit from associate of S$0.28 million offset by dividend received by the Company of S$0.15 million.

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

Trade and other receivables increased to S$7.32 million as at 31 December 2019 as compared to S$2.53 million as at 31 December 2018 mainly due to the increase in credit sales. Trade receivables increased to S$6.83 million as at 31 December 2019 as compared to S$2 million as at 31 December 2018. Other receivables decreased to S$0.49 million as at 31 December 2019 as compared to S$0.53 million as at 31 December 2018.

Inventories increased to S$0.85 million as at 31 December 2019 as compared to S$0.75 million as at 31 December 2018 owing to higher inventory purchased to meet the increased customers' demand.

The assets held-for-sale comprised of the net carrying amounts of the Group's all investment properties and one of the commercial properties which the Group has committed to sell.

Trade and other payables increased to S$1.72 million as at 31 December 2019 as compared to S$0.73 million as at 31 December 2018 owing mainly to increase in credit purchases. Other payables increased to S$0.44 million as at 31 December 2019 as compared to S$0.31 million as at 31 December 2018.

Borrowings comprised of lease liabilities and bank loan on properties. Borrowings increased to S$4.93 million as at 31 December 2019 as compared to S$4.53 million as at 31 December 2018. This was mainly due to the recognition of lease liabilities following the adoption of SFRS(I) 16. The Group lease liabilities as at 31 December 2019 is S$1.06 million. Bank loan on properties decreased to S$3.87 million as at 31 December 2019 as compared to S$4.53 million as at 31 December 2018 owing to repayment and early redemption of one of the Group's commercial properties during the three-month period ended 31 March 2019.

Net cash flow used in operating activities of S$3.57 million in FY2019 as compared to S$0.72 million in FY2018 was due to higher trade receivables and inventory balance. This increase was partially offset by higher trade payable balance.

Net cash flow from investing activity of S$0.04 million in FY2019 as compared to S$5.31 million in FY2018 owing to net cash inflow of S$4.61 million from disposal of subsidiary in FY2018.

Net cash flow used in financing activities of S$1.07 in FY2019 as compared to S$0.25 million in FY2018 was due to repayment of loan on properties and lease liabilities.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There was no forecast or prospect statement disclosed by the Group to shareholders previously.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The business segments in which we operate in are expected to be challenging for the financial year 2020 in view of the slowing global economic situation and its impact on demand for our services over the next 6 months. Retail sale of consumer electronics and related products business segment will be facing strong headwinds due to the competitiveness of the industry and supply constraints. We will continue to source for new clients to expand the customer base and diverse risk exposure.

Our customer service business segment looks to continue contributing positively to the profitability of the Group given an increase in demand for such services, and is expected to remain stable within the next 12 months.

The trading sale of lifestyle products business segment is a new revenue stream for the Group, and has contributed 11% of the Group's year to date turnover. The Group will work on expanding its customer base to service overseas entities and customers and to grow its revenue stream.

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

11. If a decision regarding dividend has been made:

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

No.

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

Not applicable.

(ii) Previous corresponding period (cents)

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

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for the period due to the accumulated losses of the Group.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained for the period under review.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Operating Segments

The Group is organised into business units based on its products and services, and has five reportable operating segments as follows:

I The distribution segment engages in the distribution of consumer electronics, mobile communication devices and accessories for leading brands.

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

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

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

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

Our retail telecommunication segment which was disposed in FY2018 engaged in the retail sale of mobile communication devices and accessories and provision of broadband and other related telecommunication services in Singapore. It operated a network of strategically located retail stores island-wide.

(a) Segment revenues and results

	Segment revenue		Segment profit/(loss)	
	FY2019	FY2018	FY2019	FY2018
	S$'000	S$'000	S$'000	S$'000
Continuing operations				
Distribution	8,358	2,234	(22)	(204)
Retail Consumer Electronics	36,549	19,371	(178)	(556)
Customer Service	3,255	1,453	(171)	(4)
Trading Sale of Lifestyle Products	6,199	-	366	(18)
Corporate	-	-	173	(2,326)
	54,361	23,058	168	(3,108)
Share of profits of associates			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)

(b) Geographical information

	Revenues		Non-current assets	
	FY2019	FY2018	FY2019	FY2018
	S$'000	S$'000	S$'000	S$'000
Continuing operations				
Singapore	33,722	16,565	5,052	4,192
Hong Kong	10,126	4,272	-	-
Indonesia	80	217	-	46,184
Philippines	6,360	2,004	1,320	1,182
United States of America	4,073	-	-	-
	54,361	23,058	6,372	51,588
Discontinued operation				
Singapore	-	20,928	-	-
	54,360	43,966	6,372	51,588

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

Due to a rise in customers' demand for mobile devices and accessories, the turnover from the distribution and retail sale segments increased by 274% and 89% to S$8.36 million and S$36.55 million in FY2019 as compared to S$2.23 million and S$19.37 million in FY2018 respectively. Revenue from customer service segment also increased by 124% to S$3.26 million in FY2019 as compared to S$1.45 million in FY2018. Following the entry into the joint venture agreement by the Company's wholly-owned subsidiary, Polaris Explorer Pte. Ltd. ("**PEPL**"), with Marque Luxury LLC and Quentin Philip Caruana on 5 November 2019, and the incorporation of the joint venture company, Marque Luxury Asia Pte. Ltd. (the "**JVCo**"), on 7 November 2019, PEPL subscribed for 51 ordinary shares representing 51% of the issued and paid up capital of the JVCo for S$51. The net asset value represented by such shares in the JVCo is nil as it has no underlying assets. Thereafter, the Company recorded a new business segment "Trading Sale of Lifestyle Products". The new business segment saw a turnover of S$6.20 million which contributed to 11% of the Group's turnover for FY2019. The Company will be seeking shareholders' approval to approve this business segment if the revenue increases further.

17. Breakdown of sales:

	Group		
	FY2019	FY2018	Increase/ (Decrease)
	S$'000	S$'000	%
(a) Sales reported for the first half year	21,190	6,669	218
(b) Operating profit/loss after tax before deducting minority interests reported for the first half year	113	1,297	(91)
(c) Sales reported for the second half year	33,171	16,389	102
(d) Operating profit/loss after tax before deducting minority interests reported for the second half year	144	(1,407)	110

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

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

Not applicable. No dividend has been declared or recommended for FY2019 and FY2018**.**

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

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

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

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

BY ORDER OF THE BOARD

ONG KOK WAH
DIRECTOR
Date: 27 FEBRUARY 2020

SOENNERSTEDT CARL JOHAN PONTUS
DIRECTOR/ CHIEF EXECUTIVE OFFICER
Date: 27 FEBRUARY 2020

*This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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