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

UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2020

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		
	Six Months Ended		
	30 Jun 2020	30 Jun 2019	Inc/(Dec)
		(Restated)*	
	S$'000	S$'000	%
CONTINUING OPERATIONS			
Revenue *(Note 1)*	13,868	21,190	(35)
Cost of Sales	(12,848)	(19,872)	(35)
Gross profit	1,020	1,318	(23)
Other Items of income			
Interest income	75	34	121
Other income *(Note 2)*	305	72	324
Other Items of expense			
Marketing and distribution	(36)	(7)	414
Administrative expenses *	(923)	(973)	(5)
Finance costs*	(116)	(121)	(4)
Other expenses* *(Note 3)*	(207)	(300)	(31)
Share of results of associate	(46)	90	N.M.
Profit before income tax	72	113	(36)
Income tax	-	-	N.M.
Profit for the period	**72**	**113**	**(36)**
Attributable to			
Equity holders of the company	77	93	(17)
Non-controlling interests	(5)	20	N.M.
Profit for the period	**72**	**113**	**(36)**
Other comprehensive income:			
Items that may not be reclassified subsequently to profit or loss			
Net gain/(loss) on fair value changes of equity instruments at fair value through other comprehensive income	-	(38.622)	N.M.
Items that may be reclassified subsequently to profit or loss			
Exchange differences in translation	-	12	N.M.
Other comprehensive income/(loss) for the period, net of tax	**-**	**(38,610)**	**N.M.**
Total comprehensive income/(loss) for the period, net of tax	**72**	**(38,497)**	**N.M.**
Attributable to:			
Equity holders of the company	72	(38,517)	N.M.
Non-controlling interests	-	20	N.M.
Total comprehensive income/(loss) for the period	**72**	**(38,497)**	**N.M.**

Following our adoption of SFRS(I) 16 effective 1 January 2019 in the fourth quarter of the financial year ended 31 December 2019 ("4QFY2019**"), the rental payments in the first half of the financial year ended 31 December 2019 ("**1HFY2019**") have been reclassified from administrative expenses to finance cost for interest expense on lease liabilities and other expenses for depreciation of right-of-use assets ("**ROU**"). The comparatives for 1HFY2019 in this announcement have been restated from that previously disclosed in the Company's unaudited financial statements announcement for the 1HFY2019 results dated 8 August 2019 (the "**1HFY2019 Results**"). The 1HFY2019 administrative expenses, finance cost and other expenses as presented in this announcement have been amended to S$973, S$121 and S$300 respectively as indicated above in the income statement from S$1,163, S$112 and S$119 respectively as previously disclosed in the 1HFY2019 Results.*

	Six Months Ended		
	30 Jun 2020	30 Jun 2019	Inc/(Dec)
Note 1 - Revenue	S$'000	S$'000	%
Distribution sale of mobile handsets and accessories	1,843	2,828	(35)
Consumer electronics sales**	8,943	13,145	(32)
Customer services	1,576	1,306	21
Trading sale of lifestyle products	1,506	3,911	(61)
	13,868	21,190	(35)

***In the interests of clearer financial reporting, the "retail sale of consumer electronics and related products" revenue segment (as indicated in previous financial statements) has been renamed to "consumer electronics sales" to include corporate sales which is also reported under this segment. In addition, the Group renamed the business segment to more clearly reflect the key markets and customers it services. This is consistent with the description of the Company's existing core business segments in the Company's circular to shareholders dated 6 May 2020.*

	Six Months Ended		
	30 Jun 2020	30 Jun 2019	Inc/(Dec)
Note 2 – Other income	S$'000	S$'000	%
Rental income	27	50	(46)
Other miscellaneous income[(1)]	278	22	1,164
	305	72	324

(1) Other miscellaneous income comprises mainly government grants.

	Six Months Ended		
	30 Jun 2020	30 Jun 2019	Inc/(Dec)
		(Restated)*	
Note 3 – Other expenses	S$'000	S$'000	%
Depreciation of property, plant and equipment	(111)	(163)	(32)
Depreciation of ROU asset*	(207)	(181)	14
Reversal of loss of asset transfer	-	78	N.M.
Net gain on disposal of property, plant and equipment	-	1	N.M.
Inventories written-down	-	(1)	N.M.
Net foreign exchange gain/(loss)	111	(34)	N.M.
	(207)	(300)	(31)

N.M. denotes Not Meaningful

**The comparatives for 1HFY2019 for Other Expenses in this announcement have been restated to S$300 from S$119 previously disclosed in the Company's unaudited financial statements announcement for the 1HFY2019 results dated 8 August 2019 due to the addition of deprecation of ROU asset of S$181 following our adoption of SFRS(I) 16.*

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	
	30 Jun 2020 S$'000	31 Dec 2019 S$'000	30 Jun 2020 S$'000	31 Dec 2019 S$'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	4,736	5,052	3,840	3,932
Investment in subsidiaries	-	-	3,039	3,039
Investment in an associate	1,160	1,320	-	-
Other financial assets	-	-	-	-
Other receivables	-	-	5,364	3,568
	5,896	6,372	12,243	10,539
Current Assets				
Trade and other receivables	5,021	7,323	4	4
Inventories	1,102	852	-	-
Assets held-for-sale	2,826	2,826	2,826	2,826
Prepayments	112	91	63	71
Cash and cash equivalents	4,979	3,879	2,649	2,378
	14,040	14,971	5,542	5,279
Total Assets	**19,936**	**21,343**	**17,785**	**15,818**
LIABILITIES AND EQUITY				
Current Liabilities				
Loans and borrowings (*Note 4)*	607	622	239	242
Trade and other payables	675	1,720	2,868	943
Other liabilities	239	358	135	167
	1,521	2,700	3,242	1,352
Net Current Assets	**12,519**	**12,271**	**2,300**	**3,927**
Non-Current Liabilities				
Loans and borrowings (*Note 4)*	4,012	4,312	3,512	3,630
	4,012	4,312	3,512	3,630
Total Liabilities	**5,533**	**7,012**	**6,754**	**4,982**
Net Assets	**14,403**	**14,331**	**11,031**	**10,836**
Equity Attributable to Equity Holders of the Company				
Share capital	402,747	402,747	402,747	402,747
Fair value adjustment	-	-	-	-
Foreign currency translation reserve	(473)	(473)	-	-
Accumulated losses	(387,895)	(387,972)	(391,716)	(391,911)
	14,379	14,302	11,031	10,836
Non-controlling interests	24	29	-	-
Total Equity	**14,403**	**14,331**	**11,031**	**10,836**
Total Liabilities and Equity	**19,936**	**21,343**	**17,785**	**15,818**

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

	As at 30 Jun 2020		As at 31 Dec 2019	
	Secured	Unsecured	Secured	Unsecured
Note 4 – Borrowings	S$'000	S$'000	S$'000	S$'000
Current:				
Commercial property loans	173		171	-
Investment property loans	66	-	71	-
Lease liabilities	368	-	380	-
Amount repayable in one year or less, or on demand	607	-	622	-
Non-Current:				
Commercial property loans	2,581		2,667	-
Investment property loans	931	-	963	-
Lease liabilities	500	-	682	-
Amount repayable after one year	4,012	-	4,312	-
	4,619	**-**	**4,934**	**-**

First commercial properties loan

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

Second commercial properties loan

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

First Investment properties loan

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

Lease Liabilities

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

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

Consolidated Cash Flow Statement

	Six months Ended	
	30 Jun 2020	30 Jun 2019
	S$'000	(Restated)* S$'000
Cash Flow from Operating Activities		
Profit before income tax from continuing operations	72	113
Adjustments for:		
Depreciation of property, plant and equipment	318	344
Finance costs	116	121
Interest income	(75)	(34)
Inventories written-down	-	1
Reversal amount on asset transfer	-	(78)
Share of results of associate	46	(90)
Unrealised exchange differences	(63)	15
Total adjustments	342	279
Operating cash flows before changes in working capital	**414**	**392**
Changes in working capital:		
(Increase)/ Decrease in:		
Inventories	(250)	(68)
Trade and other receivables	2,326	(2,022)
Prepayments	(21)	(4)
Increase/ (Decrease) in:		
Trade and other payables	(1,045)	302
Other liabilities	(119)	(165)
Total changes in working capital	891	(1,957)
Cash flows generated from/(used in) operations	**1,305**	**(1,565)**
Interest received	75	34
Interest paid	(90)	(112)
Income tax paid	-	(50)
Net cash flows generated/(used in) operating activities	**1,290**	**(1,693)**
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2)	(91)
Dividend received from associate	114	146
Net cash flows used in investing activities	**112**	**55**
FINANCING ACTIVITIES		
Repayment of loans	(121)	(539)
Principal payment of lease liability	(220)	(190)
Net cash flows used in financing activities	**(341)**	**(729)**
Net increase/(decrease) in cash and cash equivalents	**1,061**	**(2,367)**
Effect of exchange rate changes in cash and cash equivalents held in foreign currencies	39	(4)
Cash and cash equivalents at beginning of period	3,879	8,445
Cash and cash equivalents at the end of period	**4,979**	**6,074**

** Following our adoption of SFRS(I) 16, the comparatives for 1HFY2019 in this announcement have been restated accordingly.*

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

Statements of Change in Equity:

2020 Group	Total	Share capital	Accumulated losses	Fair value adjustment	Foreign currency translation reserve	Non-controlling interests
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Opening balance at 1 January 2020	**14,331**	**402,747**	**(387,972)**	**-**	**(473)**	**29**
Profit for the period	72	-	77	-	-	(5)
Other comprehensive (loss)/income						
Fair value adjustment	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	-	-
Other comprehensive income for the period, net of tax	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the period	72	-	77	-	-	(5)
Closing balance at 30 June 2020	**14,403**	**402,747**	**(387,895)**	**-**	**(473)**	**24**

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**
Effect of adopting SFRS(I) 16	**(27)**	**-**	**(27)**	**-**	**-**	**-**
Adjusted balance at 1 January 2019 (restated)*	**60,490**	**402,747**	**(388,177)**	**46,184**	**(574)**	**310**
Profit for the period	113	**-**	93	**-**	**-**	20
Other comprehensive income						
Fair value adjustment	(38,622)	**-**	**-**	(38,622)	-	**-**
Foreign currency translation	12	**-**	**-**	**-**	12	**-**
Other comprehensive income for the period, net of tax	**(38,610)**	**-**	**-**	**(38,622)**	**12**	**-**
Total comprehensive income for the period	(38,497)	-	93	(38,622)	12	20
Closing balance at 30 June 2019 (restated)*	**21,993**	**402,747**	**(388,084)**	**7,562**	**(562)**	**330**

**The adjusted balance as at 1 January 2019 and the closing balance as at 30 June 2019 were adjusted following our adoption of SFRS(I) 16. Please refer to Note 5 of the Company's unaudited financial statements for 4QFY2019 dated 8 August 2019 for further details.*

2020 Company	Total	Share capital	Accumulated losses	Fair value adjustment
	S$'000	S$'000	S$'000	S$'000
Opening balance at 1 January 2020	**10,836**	**402,747**	**(391,911)**	**-**
Profit for the period	195	-	195	-
Other comprehensive loss				
Fair value adjustment	-	-	-	-
Other comprehensive (loss) for the period, net of tax	**-**	**-**	**-**	**-**
Total comprehensive income for the period	195	-	195	-
Closing balance at 30 June 2020	**11,031**	**402,747**	**(391,716)**	**-**

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	314	-	314	-
Other comprehensive income				
Fair value adjustment	(38,622)	-	-	(38,622)
Other comprehensive income for the period, net of tax	(38,622)	-	-	(38,622)
Total comprehensive income/(loss) for the period	(38,308)	-	314	(38,622)
Closing balance at 30 June 2019	**19,105**	**402,747**	**(391,204)**	**7,562**

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 30 June 2020. There were no outstanding convertibles, treasury shares or subsidiary holdings as at 30 June 2020 and 30 June 2019.

	Number of issued shares ('000)	Issued and paid-up share capital (S$'000)
Balance as at 30 June 2020 (excluding treasury shares and subsidiary holdings)	17,053,170	402,747
Balance as at 31 December 2019 (excluding treasury shares and subsidiary holdings)	17,053,170	402,747

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

	As at 30 June 2020 ('000)	As at 31 December 2019 ('000)
Total number of issued shares (excluding treasury shares and subsidiary holdings)	17,053,170	17,053,170

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

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

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 on.

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

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

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

Not applicable.

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

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

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

The Group has applied the same accounting policies and methods of computation in the preparation of both the financial statements for the current reporting period as well as the audited financial statements for the financial year ended 31 December 2019.

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

Please refer to paragraph 4 above.

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.

	Six Months Ended	
	30 Jun 2020 S$'000	30 Jun 2019 S$'000
Continuing operations:		
Profit for the period attributable to owners of the Company used in the computation of basic earnings per share	77	93
	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for basic earnings per share computation	17,053,170	17,053,170
Earnings per share attributable to owners of the Company (cents per share)		
Basic	0.0005	0.0005
Diluted	0.0005	0.0005

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 30 June 2020 and 30 June 2019.

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

	Group		Company	
	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019
Net asset value per ordinary share is calculated based on 17,053,169,818 (31 Dec 19: 17,053,169,818) ordinary shares in issue at the end of the period under review and of the immediately preceding financial year (S$ cents per share)	0.08	0.08	0.06	0.06

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

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

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

(a) Turnover, costs and earnings

For the first half of the financial year ending 31 December 2020 ("1HFY2020"), the Group recorded a turnover of S$13.87 million, representing a decrease of 35% over the turnover of the first half of the financial year ended 31 December 2019 ("1HFY2019") of S$21.19 million. The distribution sales of mobile handset and accessories decreased by 30% from S$2.83 million in 1HFY2019 to S$1.84 million in 1HFY2020. The retail sale of consumer electronics and related products decreased by 32% from S$13.15 million in 1HFY2019 to S$8.94 million in 1HFY2020. The trading sale of lifestyle products segment decreased by 61% from S$3.91 million in 1HFY2019 to S$1.51 million in 1HFY2020. This decrease was partly offset by the increase of 21% in turnover from the customer services segment from S$1.31 million in 1HFY2019 to S$1.58 million in 1HFY2020.

The Group's cost of sales decreased by 35% from S$19.87 million in 1HFY2019 to S$12.85 million in 1HFY2020, such decrease being in line with the decrease in the Group's turnover from 1HFY2019 to 1HFY2020 as described above.

Due to the lower turnover of the Group in 1HFY2020 as described above, the Group's gross profit decreased 23% from S$1.32 million in 1HFY2019 to S$1.02 million in 1HFY2020.

The Group's interest income increased by 121% from S$0.03 million in 1HFY2019 to S$0.08 million in 1HFY2020 was mainly due to interest received from trade receivables. The increase in other income by 324% from S$0.07 million in 1HFY2019 to S$0.31 million in 1HFY2020 was due to the wage support received from the government and a rental waiver and property tax rebate from the landlord.

The increase in marketing and distribution expenses by 414% from S$0.01 million in 1HFY2019 to S$0.04 million in 1HFY2020 was mainly due to higher travelling expenses. The decrease in administrative expenses by 5% from S$0.97 million in 1HFY2019 to S$0.92 million in 1HFY2020 was mainly due to lower salary cost.

The Group's finance cost decreased by 4% from S$0.12 million in 1HFY2019 to S$0.11 million in 1HFY2020. This was mainly due to a lower interest expense on bank property loans in line with repayment of loan amounts in 1HFY2020. This decrease was partially offset by an increase in interest expense on lease liabilities in 1HFY2020.

Other expenses decreased by 31% from S$0.30 million in 1HFY2019 to S$0.21 million in 1HFY2020. This decrease was due to lower depreciation of property, plant and equipment of S$0.11 million in 1HFY2020 as compared to S$0.17 million in 1HFY2019 and a net gain in foreign exchange of S$0.11 million in 1HFY2020 from a net loss on foreign exchange of S$0.03 million in 1HFY2019. This decrease was partially offset by no reversal of loss on asset transfer in 1HFY2020 as compared to a reversal of loss on asset transfer of S$0.08 million in 1HFY2019.

The Group posted a net profit from continuing operations of S$0.07 million for 1HFY2020. This is a 36% decrease as compared to a net profit S$0.11 million in 1HFY2019 mainly due to a decrease in turnover and share of loss of an associate.

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

The Group's total assets decreased by $1.41 million from S$21.34 million as at 31 December 2019 to S$19.94 million as at 30 June 2020. This mainly due to a decrease in trade receivables.

Property, plant and equipment comprised of property, plant and equipment and ROU assets. Property, plant and equipment decreased to S$4.74 million as at 30 June 2020 as compared to S$5.05 million as at 31 December 2019 owing to a depreciation charge of S$0.31 million.

Investment in an associate decreased to S$1.16 million as at 30 June 2020 as compared to S$1.32 million as at 31 December 2019 owing to share of loss from associate of S$0.05 million and dividend received by the Company of S$0.11 million.

Trade and other receivables decreased to S$5.02 million as at 30 June 2020 as compared to S$7.32 million as at 31 December 2019 mainly due to the decrease in credit sales and settlement of trade receivables.

Inventories increased to S$1.10 million as at 30 June 2020 as compared to S$0.85 million as at 31 December 2019 mainly due to the closure of our retail outlet during the circuit breaker.

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 decreased to S$0.68 million as at 30 June 2020 as compared to S$1.72 million as at 31 December 2019 owing mainly to decrease in credit purchases.

Loans and borrowings comprised of bank loan on properties and lease liabilities. Bank loan on properties decreased to S$3.75 million as at 30 June 2020 as compared to S$3.87 million as at 31 December 2019 owing to repayment of loans. Lease liabilities decreased to S$0.87 million as at 30 June 2020 as compared to S$1.06 million as at 31 December 2019 owing to lease payments of S$0.19 million.

The Group generated net cash from operating activities of S$1.31 million in 1HFY2020 as compared to net cash used of S$1.57 million in 1HFY2019 due to lower trade and other receivables balances in 1HFY2020. This was partially offset by lower trade and other payables and higher inventory balance.

Net cash flow from investing activity of S$0.11 million in 1HFY2020 as compared to S$0.06 million in 1HFY2019 owing to lower amounts of property, plant and equipment purchase and dividend received from associate.

Net cash flow used in financing activities of S$0.34 in 1HFY2020 as compared to S$0.73 million in 1HFY2019 was due to repayment of property loans on properties and no early redemption of properties as compared to early redemption of one of the commercial properties in 1HFY2019.

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 Group faced various challenges in the first half of the financial year ending 31 December 2020 as a result of the pandemic, as was expected.

Distribution sales of mobile handset and accessories dropped year on year due to significant slow-down in the market, while consumer electronics sales fell as our Apple Premium Reseller store was closed for most of the second quarter as a result of the Circuit Breaker, and corporate sales faced cuts in company purchasing budgets. The customer services business delivered year on year growth, but was also significantly hit by the Circuit Breaker. With regard to the trading sale of lifestyle products, there was a drop in demand from the United States as their market situation worsened.

However, in June we began to see an improvement in most of our businesses as markets began to open up again, with companies and consumers learning how to operate in this new environment. The Group is cautiously optimistic that business may slowly continue to pick up through the third and fourth quarters of 2020 and onwards.

11. If a decision regarding dividend has been made:

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

No.

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

Not applicable.

(ii) Previous corresponding period (cents)

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

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

15. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)
The Board of Directors hereby confirms that to the best of their knowledge, nothing has come to the attention of the Board which may render the interim financial results set out above to be false or misleading in any material aspect.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).
The Company confirms that it has procured undertakings from all of the directors and executive officers in the required format.

BY ORDER OF THE BOARD

ONG KOK WAH
DIRECTOR
Date: 13 AUGUST 2020

SOENNERSTEDT CARL JOHAN PONTUS
DIRECTOR/ CHIEF EXECUTIVE OFFICER
Date: 13 AUGUST 2020

*This announcement 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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