

**Company Registration No.: 198404341D**

**POLARIS LTD.  
(Incorporated in Singapore)  
AND ITS SUBSIDIARIES**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**For the six months ended  
30 JUNE 2021**

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**POLARIS LTD.**

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




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**UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2021**


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**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.

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<u>Note</u>	<u>Group</u>		
		6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000	Increase/ (Decrease) %
Revenue		20,928	13,868	51
Cost of sales		(16,214)	(12,848)	26
<b>Gross profit</b>		4,714	1,020	362
Other items of income:				
Interest income		-	75	N.M.
Other income		199	305	(35)
Other items of expense:				
Marketing and distribution		(509)	(36)	1315
Administrative expenses		(3,648)	(923)	295
Finance costs		(137)	(116)	18
Other expenses		(319)	(207)	54
Share of results of associate, net of tax		-	(46)	N.M.
<b>Profit before income tax</b>	6	300	72	316
Income tax expense	7	(18)	-	N.M.
<b>Profit for the period</b>		282	72	291
<b>Attributable to:</b>				
Equity holders of the Company		(71)	77	(192)
Non-controlling interests		353	(5)	(7154)
<b>Total profit for the period</b>		282	72	291

N.M. denotes not meaningful

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

(cont'd)

	<u>Note</u>	<b>Group</b>		
		6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000	Increase/ (Decrease) %
<b>Total profit for the period</b>		282	72	291
<b>Other comprehensive income, net of tax:</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation		-	-	-
<b>Other comprehensive income for the period</b>		-	-	-
<b>Total comprehensive income for the period</b>		282	72	291
<b>Attributable to:</b>				
Equity holders of the Company		(71)	72	(199)
Non-controlling interests		353	-	N.M.
<b>Total comprehensive income for the period</b>		282	72	291
<b>Earnings per share attributable to equity holders of the Company:</b>				
Basic and diluted (cents per share)		0.0004	0.0005	(20)

**1(b) 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.**

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

	Note	Group		Company	
		30 June	31 December	30 June	31 December
		2021	2020	2021	2020
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	9	4,701	4,585	3,659	3,746
Intangible assets		3,865	-	-	-
Investments in subsidiaries		-	-	-	-*
Other receivables		-	-	6,699	4,732
		<u>8,566</u>	<u>4,585</u>	<u>10,359</u>	<u>8,478</u>
<b>Current Assets</b>					
Trade and other receivables		5,959	6,865	5	5
Contract assets		188	188	-	-
Inventories		6,451	2,831	-	-
Prepayments		432	91	42	11
Cash and bank balances		3,180	4,489	894	1,847
		<u>16,210</u>	<u>14,464</u>	<u>941</u>	<u>1,863</u>
Assets of disposal group classified as held-for-sale		1,372	2,184	1,372	1,372
		<u>17,852</u>	<u>16,648</u>	<u>2,313</u>	<u>3,235</u>
<b>Total Assets</b>		<b><u>26,148</u></b>	<b><u>21,233</u></b>	<b><u>12,672</u></b>	<b><u>11,713</u></b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current Liabilities</b>					
Loans and borrowings	10	369	562	169	172
Liabilities directly associated with disposal group classified as held-for-sale	10	932	964	932	964
Trade and other payables		3,800	2,064	2,759	2,712
Other liabilities		928	677	240	241
Provision for income tax		8	63	-	-
		<u>6,037</u>	<u>4,330</u>	<u>4,100</u>	<u>4,089</u>
<b>Non-Current Liabilities</b>					
Loans and borrowings	10	3,746	2,849	3,401	2,496
<b>Total Liabilities</b>		<u>9,783</u>	<u>7,179</u>	<u>7,501</u>	<u>6,585</u>
<b>Equity Attributable to Equity Holders of the Company</b>					
Share capital	11	402,747	402,727	402,747	402,747
Fair value adjustment		-	-	-	-
Foreign currency translation reserve		(464)	(470)	-	-
Accumulated losses		(388,360)	(388,300)	(397,576)	(397,619)
		<u>13,923</u>	<u>13,977</u>	<u>5,171</u>	<u>5,128</u>
Non-controlling interests		2,442	77	-	-
<b>Total Equity</b>		<u>16,365</u>	<u>14,054</u>	<u>5,171</u>	<u>5,128</u>
<b>Total Liabilities and Equity</b>		<b><u>26,148</u></b>	<b><u>21,233</u></b>	<b><u>12,672</u></b>	<b><u>11,713</u></b>

\* Less than \$1,000

- 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.

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Group</b>	
	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000
<b>Cash Flows from Operating Activities</b>		
Profit before income tax	300	72
Adjustments for:		
Depreciation of property, plant and equipment	334	318
Finance costs	137	116
Interest income	-	(75)
Share of results of associate	-	46
Unrealised exchange gain	6	(63)
Operating cash flows before changes in working capital	777	414
Changes in working capital:		
Inventories	(3,620)	(250)
Trade and other receivables, contract assets	906	2,326
Prepayments	(342)	(21)
Trade and other payables	1,736	(1,045)
Other liabilities	251	(119)
Cash flows used in operations	(292)	1,305
Interest received	-	75
Interest paid	(41)	(90)
<b>Net cash flows (used in)/generated from operating activities</b>	(333)	1,290
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(280)	(2)
Proceeds from disposal of assets held-for-sale	812	-
Dividends received from an associate	-	114
Net cash outflow on acquisition of subsidiary	(2,376)	-
<b>Net cash flows (used in)/generated from investing activities</b>	(1,844)	112

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
(cont'd)

	<b>Group</b>	
	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000
<b>Cash Flows from Financing Activities</b>		
New loans and borrowings	1,217	-
Repayments of bank loans	(119)	(121)
Principal payment of lease liabilities	(252)	(220)
<b>Net cash flows generated from/(used in) financing activities</b>	<u>866</u>	<u>(341)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(1,309)	1,061
<b>Cash and cash equivalents at the beginning of the year</b>	4,489	3,879
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies	-	39
<b>Cash and cash equivalents at the end of period</b>	<u><u>3,180</u></u>	<u><u>4,979</u></u>

1(d) 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.

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

	← Attributable to equity holders of the Company →						
	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
<b>Group</b>							
<b>Balance at 1 January 2021</b>	402,747	-	(470)	(388,300)	13,977	77	14,054
(Loss)/profit for the year	-	-	-	(71)	(71)	353	282
Other comprehensive income	-	-	6	11	17	-	17
<b>Total comprehensive income/(loss) for the year</b>	-	-	6	(60)	(54)	353	299
Acquisition and incorporation of subsidiaries	-	-	-	-	-	2,012	2,012
<b>Balance at 30 June 2021</b>	402,747	-	(464)	(388,360)	13,923	2,442	16,365
<b>Balance at 1 January 2020</b>	402,747	-	(473)	(387,972)	14,302	29	14,331
Profit/(loss) for the year	-	-	-	77	77	(5)	72
Other comprehensive (loss)/income	-	-	-	-	-	-	-
<b>Total comprehensive (loss)/income for the year</b>	-	-	-	77	77	(5)	72
<b>Balance at 30 June 2020</b>	402,747	-	(473)	(387,895)	14,403	24	14,403



## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 1 Corporate information

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 4.

These condensed interim consolidated financial statements as at and for the six months financial period ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the “**Group**”).

### 2 Basis of Preparation

The condensed interim financial statements for the six months financial period ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

#### 2.1 New and amended standards adopted by the Group

On 1 January 2021, the Group adopted new and amended SFRS(I) and interpretations to SFRS(I) (“**INT SFRS(I)**”) that are mandatory for application for the financial period. The adoption of these new or amended SFRS(I) and INT SFRS(I) did not have a material effect on the financial statements. The Group also did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

## 2.2 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) 16 <i>COVID-19 Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
Annual Improvements to SFRS(I)s/FRSs Standards 2018-2020 Cycle - SFRS(I) 9 <i>Financial Instruments – Fees in the ‘10 per cent’ test for derecognition</i>	1 January 2022
Amendments to SFRS(I) 1-16 <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37 <i>Provisions - Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to SFRS(I) 3 <i>Business Combinations – Reference to the Conceptual Framework</i>	1 January 2022
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements: Classification of liabilities as current or non-current</i>	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28 <i>Investments in Associates and Joint Ventures – Sale or contribution of assets between an investor and its associate or joint venture</i>	Deferred indefinitely, early application is still permitted
Amendments to SFRS(I) 1-1 <i>Disclosure of Accounting Policies and SFRS(I) Practice Statement 2 Making Materiality Judgements</i>	1 January 2023
Amendments to SFRS(I) 1-8 <i>Definition of Accounting Estimates</i>	1 January 2023

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.

## 2.3 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### **3 Seasonal operations**

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial period reported on.

### **4 Segment and revenue 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 pre-owned luxury goods sales segment engages in the importing and exporting of the wholesale and retail of premium lifestyle products.
- III. The consumer electronics sales segment engages in the business to business and 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 is also involved 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.

#### 4.1 Reportable segments

##### (a) Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable operating segment:

	<b>Group</b>			
	<b>Segment revenue</b>		<b>Segment (loss)/profit</b>	
	30 June 2021 S\$'000	30 June 2020 S\$'000	30 June 2021 S\$'000	30 June 2020 S\$'000
Distribution	1,208	1,843	(232)	107
Pre-owned luxury goods sales	11,193	1,506	749	39
Consumer electronics sales	7,334	8,943	(390)	(259)
Customer services	1,193	1,576	216	34
Corporate	-	-	94	238
	<u>20,928</u>	<u>13,868</u>	<u>437</u>	<u>159</u>
Share of results of associate			-	(46)
Interest income			-	75
Finance costs			(137)	(116)
Profit before income tax			<u>300</u>	<u>72</u>

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

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

#### 4.1 Reportable segments (cont'd)

##### (b) Reconciliation

	<b>Group</b>	
	30 June 2021 S\$'000	30 June 2020 S\$'000
<b>Segment assets</b>		
Distribution	1,004	4,308
Pre-owned luxury goods sales	14,690	2,847
Consumer electronics sales	4,113	3,163
Customer services	368	237
Corporate	5,973	9,382
Total segment assets	<u>26,148</u>	<u>19,937</u>
Unallocated: Investment in an associate*	-	-
Consolidated total assets	<u>26,148</u>	<u>19,937</u>
<b>Segment liabilities</b>		
Distribution	36	33
Pre-owned luxury goods sales	3,713	2
Consumer electronics sales	956	1,173
Customer services	291	357
Corporate	285	217
Total segment liabilities	<u>5,281</u>	<u>1,782</u>
Unallocated: Loans and borrowings (excluding lease liabilities)	4,502	3,751
Consolidated total liabilities	<u>9,783</u>	<u>5,533</u>

\* Included the Group's assets held-for-sale.

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.

#### 4.1 Reportable segments (cont'd)

##### (c) Other segment information

	<b>Group</b>			
	<b>Depreciation</b>		<b>Additions to non-current assets</b>	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Distribution	2	2	-	-
Pre-owned luxury goods sales	28	-	277	-
Consumer electronics sales	173	173	-	-
Customer services	41	50	-	-
Corporate	90	93	3	-
	<b>334</b>	<b>318</b>	<b>280</b>	<b>-</b>

##### (d) Geographical information

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

	<b>Group</b>			
	<b>Revenue</b>		<b>Non-current assets</b>	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	8,926	10,127	4,240	4,736
Hong Kong	329	392	-	-
Indonesia	4	4	-	-
Philippines	1,465	1,843	4	-
United States	10,131	1,502	393	-
Korea	73	-	31	-
Thailand	-	-	15	-
Vietnam	-	-	18	-
	<b>20,928</b>	<b>13,868</b>	<b>4,701</b>	<b>4,736</b>

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

## 4.2 Disaggregation of Revenue

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

	<b>Group</b>	
	30 June 2021 S\$'000	30 June 2020 S\$'000
<b>Principal geographical market</b>		
<u>Distribution</u>		
- Philippines	1208	1843
<u>Pre-owned luxury goods sales</u>		
- Singapore	953	-
- Hong Kong	31	-
- Indonesia	4	4
- United States	10132	1502
- Korea	73	-
	11,193	1,506
<u>Consumer electronics sales</u>		
- Singapore	7334	8943
<u>Customer services</u>		
- Singapore	1,193	1,576
	<u>20,928</u>	<u>13,868</u>
	<b>Group</b>	
	30 June 2021 S\$'000	30 June 2020 S\$'000
<b>Major product or service lines and timing of revenue recognition</b>		
Distribution	1,208	1,843
Pre-owned luxury goods sales	11,193	1,506
Consumer electronics sales	7,334	8,943
Customer services	1,193	1,576
At a point of time	<u>20,928</u>	<u>13,868</u>

## 5 Financial assets and financial liabilities

	<b>Group</b>		<b>Company</b>	
	30 June 2021 S\$'000	31 December 2020 S\$'000	30 June 2021 S\$'000	31 December 2020 S\$'000
<b>Financial assets</b>				
Cash and bank balances and trade and other receivables	9,139	10,941	7,598	6,584
<b>Financial liabilities</b>				
Trade and other payables, loan and borrowings, liabilities directly associated with disposal group classified as held-for-sale and other liabilities (Amortised cost)	9,776	6,998	7,501	6,559

## 6 Profit before taxation

### 6.1 Significant items

	<b>Group</b>	
	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000
<b>Income:</b>		
Interest income	-	75
<b>Expenses:</b>		
Interest on borrowings	137	116
Depreciation of property, plant and equipment and investment properties	334	318
Foreign exchange (gain), net	(79)	(63)

### 6.2 Related party transactions

There were no material related party transactions during the financial period reported on.



## 7 Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss and other comprehensive income are:

	<b>Group</b>	
	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000
Current income tax expense	18	-

## 8 Net Asset Value

	<b>Group</b>		<b>Company</b>	
	30 June 2021 S\$	31 December 2020 S\$	30 June 2021 S\$	31 December 2020 S\$
Net asset value per ordinary share (in cents)	0.096	0.082	0.030	0.030

## 9 Property, plant and equipment

During the six months financial period ended 30 June 2021, the Group acquired assets amounting to \$280,174 (30 June 2020: \$2,000) and disposed of assets amounting to \$23,488 (30 June 2020: nil). The assets amounting to \$280,174 acquired during the financial period reported on were for the expansion of the pre-owned luxury goods business.

## 10 Borrowings

	<b>The Group and the Company</b>	
	30 June 2021 S\$'000	31 December 2020 S\$'000
<u>Amount repayable within one year or on demand</u>		
Secured	1,301	1,526
Unsecured	-	-
<u>Amount repayable after one year</u>		
Secured	2,758	2,849
Unsecured	988	-

The bank borrowings and credit facilities of the Group are secured over certain properties of the Group. These comprise of loans and borrowings and liabilities directly associated with disposal group classified as held-for-sale.

## 11 Share Capital

	<b>The Group and the Company</b>			
	30 June 2021		31 December 2020	
	Number of Share S\$'000	Amount S\$'000	Number of Share S\$'000	Amount S\$'000
Beginning and end of interim period	17,053,170	402,747	17,053,170	402,747

The Company did not hold any treasury shares as at 30 June 2021 and 31 December 2020.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 31 December 2020.

## 12 Subsequent events (after 30 June 2021)

Except for the following, there are no known subsequent events (after 30 June 2021) which have led to adjustments to this set of interim financial statements.

- (a) The Company had, on 29 April 2021, issued an option to purchase to a third party purchaser, Masonry Studios Pte. Ltd. (the "**Purchaser**") whereby the Company granted an option to the Purchaser to purchase from the Company the Company's remaining investment properties at 81 Ubi Avenue 4 #03-21 and #03-22 UB (the "**Option**"). The Purchaser had exercised the Option on 11 May 2021 and the transaction was completed on 21 July 2021.

## OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

- 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 2021. There were no outstanding convertibles, treasury shares or subsidiary holdings as at 30 June 2021 and 30 June 2020.

	Number of issued shares '000	Issued and paid-up share capital S\$'000
Balance as at 30 June 2021 (excluding treasury shares and subsidiary holdings)	17,053,170	402,747
Balance as at 31 December 2020 (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 2021 '000	As at 31 December 2020 '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 2020) 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.**

Except as disclosed in paragraph 5 below, 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 2020.

**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.**

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and Interpretations of SFRS(I) ("**INT SFRS(I)**") that are relevant to its operations and effective for annual periods beginning on 1 January 2021. The adoption of these new and revised SFRS(I) and INT SFRS(I) did not result in any substantial change to the Group's accounting policies and has no material impact on the financial statements for the current financial reporting period.

- 6 **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**  
**(a) based on the weighted average number of ordinary shares on issue; and**  
**(b) on a fully diluted basis (detailing any adjustments made to the earnings).**

	Six Months Ended	
	30 Jun 2021 S\$'000	30 Jun 2020 S\$'000
Continuing operations:		
Profit/(loss) for the period attributable to owners of the Company used in the computation of basic earnings per share	(71)	77
	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
<b>Earnings per share attributable to owners of the Company (cents per share)</b>		
Basic	0.0004	0.0005
Diluted	0.0004	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 2021 and 30 June 2020.

- 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 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
Net asset value per ordinary share is calculated based on 17,053,169,818 (31 Dec 2020: 17,053,169,818) ordinary shares in issue at the end of the financial period under review and of the immediately preceding financial year (S\$ cents per share)	0.096	0.082	0.030	0.030

- 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 2021 ("1HFY2021"), the Group recorded a turnover of S\$20.93 million, representing an increase of 51% over the turnover for the first half of the financial year ended 31 December 2020 ("1HFY2020") of S\$13.87 million. The distribution sales of mobile handsets and accessories decreased by 34% from S\$1.84 million in 1HFY2020 to S\$1.21 million in 1HFY2021. Consumer electronics sales and related products decreased by 18% from S\$8.94 million in 1HFY2020 to S\$7.33 million in 1HFY2021. The pre-owned luxury goods segment increased by 643% from S\$1.51 million in 1HFY2020 to S\$11.19 million in 1HFY2021. The customer services segment decreased 24% from S\$1.58 million in 1HFY2020 to S\$1.19 million in 1HFY2021, as a result of a reclassification of S\$0.38 million in revenue to the other receivables and S\$0.38 million in cost of sales to the accrued salaries.

The Group's cost of sales increased by 26% from S\$12.85 million in 1HFY2020 to S\$16.21 million in 1HFY2021, such increase being in line with the increase in the Group's turnover from 1HFY2020 to 1HFY2021 as described above.

Due to the higher turnover of the Group in 1HFY2021 as described above, the Group's gross profit increased 362% from S\$1.02 million in 1HFY2020 to S\$4.71 million in 1HFY2021.

The Group's interest income decreased from S\$0.08 million in 1HFY2020 to nil in 1HFY2021, due to no interest received from trade receivables from third parties. The decrease in other income by 35% from S\$0.31 million in 1HFY2020 to S\$0.20 million in 1HFY2021 was due to less wage support received from the government and absence of rental waiver and property tax rebate from the landlord.

The increase in marketing and distribution expenses by 1315% from S\$0.04 million in 1HFY2020 to S\$0.51 million in 1HFY2021 was mainly due to higher travelling expenses incurred in respect of our expanded pre-owned luxury goods business. The increase in administrative expenses by 295% from S\$0.92 million in 1HFY2020 to S\$3.65 million in 1HFY2021 was mainly due to the expanded pre-owned luxury goods business as well.

The Group's finance cost increased by 18% from S\$0.12 million in 1HFY2020 to S\$0.14 million in 1HFY2021.

Other expenses increased by 54% from S\$0.21 million in 1HFY2020 to S\$0.32 million in 1HFY2021. This increase was due to higher depreciation of property, plant and equipment of S\$0.33 million in 1HFY2021 as compared to S\$0.32 million in 1HFY2020, a smaller net gain in foreign exchange of S\$0.08 million in 1HFY2021 as compared to a net gain on foreign exchange of S\$0.11 million in 1HFY2020, impairment of investment in a subsidiary of S\$ 0.05 million, and provision for stock written off of S\$0.02 million.

The Group posted a net loss from continuing operations of S\$0.07 million for 1HFY2021, compared to a net profit S\$0.08 million in 1HFY2020. This was mainly due to a decrease in turnover and margin in the distribution sales of mobile handsets and accessories and consumer electronics sales and related products segments, and reduced government support in the form of government grants.

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

The Group's total assets increased by S\$4.92 million from S\$21.23 million as at 31 December 2020 to S\$26.15 million as at 30 June 2021. This was mainly due to an increase in inventory and intangible assets.

Property, plant and equipment comprised of property, plant and equipment and right of use (“**ROU**”) assets. Property, plant and equipment increased to S\$4.70 million as at 30 June 2021 as compared to S\$4.60 million as at 31 December 2020.

Trade and other receivables decreased to S\$5.96 million as at 30 June 2021 as compared to S\$6.87 million as at 31 December 2020 mainly due to the settlement of trade receivables.

Inventories increased to S\$6.45 million as at 30 June 2021 as compared to S\$2.83 million as at 31 December 2020 mainly due to the growing pre-owned luxury goods business.

The assets held-for-sale comprised of the net carrying amount of S\$1.37 million for the two commercial properties which the Group has committed to sell as at 30 June 2021 in comparison to S\$2.18 million as at 31 December 2020, which also included an associate held for sale at S\$0.81 million.

Trade and other payables increased to S\$3.80 million as at 30 June 2021 as compared to S\$2.06 million as at 31 December 2020, owing mainly to an increase in credit purchases.

Loans and borrowings comprised of a bank loan on properties, lease liabilities and one temporary bridge loan (TBL). Bank loan on properties decreased to S\$3.51 million as at 30 June 2021 as compared to S\$3.63 million as at 31 December 2020 owing to repayment of loans. Lease liabilities decreased to S\$0.55 million as at 30 June 2021 as compared to S\$0.74 million as at 31 December 2020 owing to lease payments of S\$0.19 million. A TBL loan of S\$1.00 million was added during the financial period reported on.

The Group’s net cash flows used in operating activities was S\$0.33 million in 1HFY2021 as compared to net cash generated from operating activities of S\$1.29 million in 1HFY2020 due to higher inventory balance in 1HFY2021. This was partially offset by higher trade and other payables.

The Group’s net cash flow used in investing activities was S\$1.84 million in 1HFY2021 as compared to net cash flow generated from investing activities of S\$0.11 million in 1HFY2020. This arose as a result of no dividends received from an associate and the completion of an asset purchase agreement, which were offset by first payment received from the disposal of an associate.

Net cash flows generated from financing activities was S\$0.87 million in 1HFY2021 as compared to net cash flows used in financing activities of S\$0.34 million in 1HFY2020. This was mainly due to the new term bridging loan (TBL).

#### Disclosures pursuant to Rule 706A(1)

During 1HFY2021, the Company had entered into agreements to dispose of an associated company and to increase its effective shareholding in an existing subsidiary. For further information, please refer to the relevant announcements on SGXNET.

On 4 June 2021, Polaris Explorer Pte. Ltd. (“**PEPL**”), a wholly owned subsidiary of the Company, entered into a sale and purchase agreement with Techitan Technology Inc. (“**Buyer**”) for the disposal of the Group’s entire 40% shareholding in Polarisitans Philippines Inc to the Buyer (“**Disposal**”), for a total consideration of thirty million Pesos (PHP 30,000,000.00) (the “**Consideration**”). Following the Disposal, the Group will exit its existing business in the distribution of mobile communication devices and accessories in the Philippines.

On 11 June 2021, Marque Luxury Pte. Ltd. (“**MLS**”), an indirect 51% owned subsidiary of the Company, had increased its issue and paid-up share capital from S\$100 to S\$4,373,408 via an allotment and issuance of 4,373,308 new ordinary shares to its shareholders, PEPL and Marque Luxury LLC (“**MLL**”), at an issue price of S\$1.00 per share, for a total consideration of S\$4,373,308, which was satisfied by way of the capitalisation of amounts due to PEPL and MLL of S\$2,230,387 and S\$2,142,921 respectively (the “**Capitalisation**”). The Capitalisation was made pursuant to an asset purchase agreement entered between MLS, Marque Luxury America LLC, MLL, Marque Supply Company LLC and Mr. Quentin Phillip Caruana, as announced by the Company on 12 March 2021. There was no change in the Company’s effective indirect shareholding in MLS (51%) following the Capitalisation.

**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 continued to face various challenges in the first half of the financial year ending 31 December 2021 as a result of the Covid-19 pandemic and the global chip shortage. At the same time, the Group is beginning to see positive developments from our expansion into sustainability-related businesses with our pre-owned luxury goods business.

Revenue from the distribution of mobile handsets and accessories under our distribution segment dropped year on year due to a continued slow-down in the market which was influenced by the pandemic and chip-related supply constraints.

Our consumer electronics segment faced similar headwinds, with margins challenged as a result of distributorship restructuring by the manufacturer. Corporate sales, though affected by supply constraints, continued its steady progress in government tenders. Retail sales posted revenue growth year on year as our retail outlet had relatively uninterrupted operations in 1HFY2021 (as compared to FY2020 where our retail outlet was closed for a period of time as a result of the pandemic) and owing to an increase in smart device sales due to extended home-based learning and work from home. Educational robotics posted strong growth year on year as STEM education (i.e. in science, technology, engineering and mathematics) continues to expand worldwide.

The customer services business segment experienced continued demand growth and added refurbishing, another pillar in the Company's sustainability drive, to its portfolio of services provided.

Pre-owned luxury goods sales experienced an increase in demand from the United States as their market situation has improved, and acceptance of and demand for pre-owned products continue to gain positive traction.

The Group remains cautiously optimistic that with our established operational capabilities we will emerge more resilient from these challenges and be well placed to benefit when market conditions improve. Additionally, we are encouraged by our progress to become a company focused on sustainability-related businesses, with pre-owned luxury goods becoming our largest business segment for the first time.



- 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.  
**(b)(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 financial period reported on 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.

On behalf of the Board of Directors,

Soennerstedt Carl Johan Pontus  
Executive Director & Chief Executive Officer

Mr Sugiono Wiyono Sugialam  
Executive Director & Executive Chairman

*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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