POLARIS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No: 198404241D)

ENTRY INTO AN AGREEMENT TO ACQUIRE ASSETS IN THE PRE-OWNED LUXURY GOODS BUSINESS AND CAPITALISATION OF EXISTING LOANS

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1. INTRODUCTION

1.1 The Board of Directors (the "**Board**" or "**Directors**") of Polaris Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that Marque Luxury Pte. Ltd. (previously known as Marque Luxury Asia Pte. Ltd.) ("**JVCo**"), a 51% owned subsidiary of the Company, and Marque Luxury America LLC ("**MLA**"), a wholly-owned subsidiary of the JVCo, have on 12 March 2021 entered into an asset purchase agreement (the "**Agreement**") with Marque Luxury LLC ("**MLL**"), Marque Supply Company LLC ("**MSC**"), and Mr. Quentin Phillip Caruana (collectively, the "**Selling Parties**" or the "**JV Partners**") to:

(a) acquire the business and assets in the pre-owned luxury goods business (which includes an inventory of pre-owned luxury goods, benefit from lease contracts, business names, business information, domain names, accounts receivables, and other benefits) ("**Assets**") from MLL and MSC;

(b) assume certain liabilities incurred by the Selling Parties or in connection with the Assets ("**Liabilities**"); and

(c) acquire 100% of the entire issued and paid-up share capital of Marque Supply Japan ("**MSJ**") (the "**MSJ Sale Shares**") and 85% of the issued and paid-up share capital of Marque Mentor LLC ("**MM**") (the "**MM Sale Shares**") (collectively, the "**Sale Shares**") from Mr. Quentin Phillip Caruana,

on the terms and conditions of the Agreement, for a total purchase consideration of US$2,290,144.45 (the "**Proposed Acquisition**").

1.2 Shareholders may refer to paragraph 2 of the Company's announcement dated 5 November 2019, appended as an **Appendix** to this announcement (the "**Joint Venture Announcement**"), for further details and information on the JV Partners.

2. INFORMATION ON MSJ AND MM

2.1 MSJ and MM are both limited liability companies incorporated under the laws of Japan and the United States of America (Nevada) respectively. They are wholly owned by Mr. Quentin Phillip Caruana, the 49% JV Partner of the Group in the JVCo.

2.2 MSJ is primarily engaged in the business of procuring premium luxury lifestyle products including but not limited to pre-owned hand bags, watches and jewellery, from the re-sale market in Japan.

2.3 MM is primarily engaged in the business of providing training, mentoring or teaching services to customers (through online platforms or any electronic or non-electronic means) in relation to the business of importing, exporting, consigning, selling, distributing and marketing premium luxury lifestyle products including, but not limited to, pre-owned hand bags, watches and jewellery, with the aim to sell such products on a wholesale and/or retail basis to businesses (i.e. B2B) and/or end consumers (i.e. B2C) via both online platforms and brick and mortar stores.

2.4 As at the date of this announcement, both MSJ and MM are minimally capitalised. Following the Proposed Acquisition, Mr. Quentin Phillip Caruana (being the ultimate beneficial owner of the JV Partners) will retain 15% of the issued and paid-up share capital of MM, which he intends to distribute to other key personnel of MM at a later date both as an incentive and to align the interests of key personnel with that of MM.

3. RATIONALE FOR THE PROPOSED ACQUISITION

3.1 As announced in the Company's Joint Venture Announcement, Polaris Explorer Pte. Ltd. ("**PEPL**"), a wholly-owned subsidiary Company had, on 5 November 2019, entered into a joint venture agreement ("**JVA**") with the JV Partners, for the purpose of incorporating the JVCo to engage in, conduct and carry on the business of importing, exporting, selling, distributing and marketing of the wholesale and retail of premium lifestyle products, including but not limited to pre-owned luxury handbags, both online and offline ("the **Pre-owned Business**") outside of North America.

3.2 Further to the JVA and in line with the intention of the Company and the JV Partners, the purpose of this Proposed Acquisition is now to expand the JVCo's business into North America, as well as to consolidate all the JV Partners' Pre-owned Business into the JVCo and to eliminate any potential conflict of interests between the JV Partners.

3.3 Following completion of the Agreement, all Pre-owned Business globally will be conducted solely through the JVCo, MLA or its subsidiaries and not through any other entity, and Parties to the JVA will continue to be bound by the non-compete restrictions set out in the JVA (as elaborated in paragraph 4.4 below).

4. INFORMATION ON THE PROPOSED ACQUISITION

4.1 <u>Consideration</u>

The total purchase consideration for the Assets, Liabilities and the Sale Shares shall be the sum of US$2,290,144.45 ("**Purchase Consideration**").

The Purchase Consideration was determined on a willing-buyer willing-seller basis after arm's length negotiations between the JVCo and the Selling Parties and taking into account, *inter alia*, the following:

(a) the book value of the Assets of US$1,345,081 (based on the management accounts of the Selling Parties as of 30 November 2020);

(b) the net profits attributable to the Assets and Sale Shares of S$37,517 (based on the management accounts of the Selling Parties as of 31 December 2020);

(c) the net tangible liabilities ("**NTL**") of the Liabilities of US$1,749,903 (based on the management accounts of the Selling Parties as of 30 November 2020)

(d) the NTL of the Sale Shares (based on the management accounts of the Selling Parties as of 30 November 2020) of approximately US$115,966;

(e) a goodwill US$2,681,673, considering the growth potential and value of the Preowned Business in light of a 58% increase in revenue between 30 June 2020 and 31 December 2020 from USD 2,553,351 to 4,033,892 (based on the management accounts of the Selling Parties as of 30 June 2020 and 31 December 2020); and

(f) other business opportunities which are currently being pursued by the JV Partners which, should they materialise, would materially benefit JVCo and its subsidiaries.

Notes: In respect of paragraphs 4.1 (a), (c) and (d) above, the management accounts of the Selling Parties as of 30 November 2020 was used as the Parties agreed to use 30 November 2020 as the assessment date when the Assets, Liabilities and Sale Shares were identified and valued. As for the profit calculation in paragraph 4.1 (b), the management accounts of the Selling Parties as of 31 December 2020 was used for consistency with the calculation of the relative figure under Rule 1006(b).

The Purchase Consideration of US$2,290,144.45 shall be satisfied in the following manner:

(A) US$540,241.13 shall be paid to the Selling Parties in cash;

(B) the a sum of US$148,863 shall be set-off against a remaining debt of same amount owed by MLL to JVCo; and

(C) the remaining US$1,601,040.32 ("**Remaining Amount**") shall be capitalised into shares of the JVCo by Mr. Quentin Phillip Caruana in the manner set out in paragraph 0 below. As elaborated further in paragraph 0 below, there will be no change in shareholding percentages of the JVCo following the aforesaid capitalisation, and the JVCo will remain as a 51% subsidiary of the Company.

4.2 Completion

Completion of the Proposed Acquisition shall take place on the date falling three (3) months from the date of the Agreement, or at such other time as the parties to the Agreement may agree in writing.

4.3 Transfer of Employees

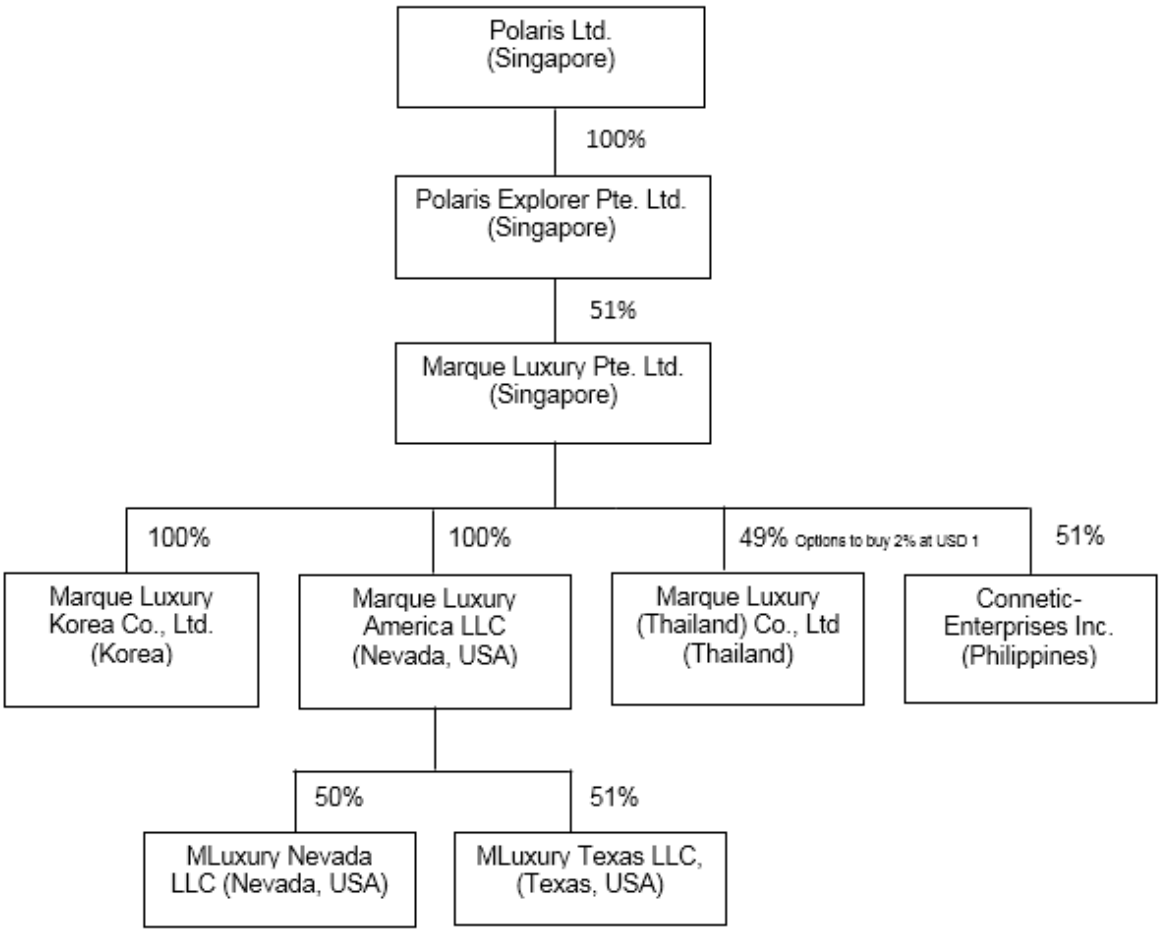
Not later than two business days after the Completion Date, the Selling Parties shall procure key employees of Marque Supply Company LLC to enter into valid and binding employment contracts with MLA, in substantially the same terms as that applicable to the key employees when they were under the employment of MSC immediately prior to the date of the Agreement.

4.4 Non-compete Restrictions

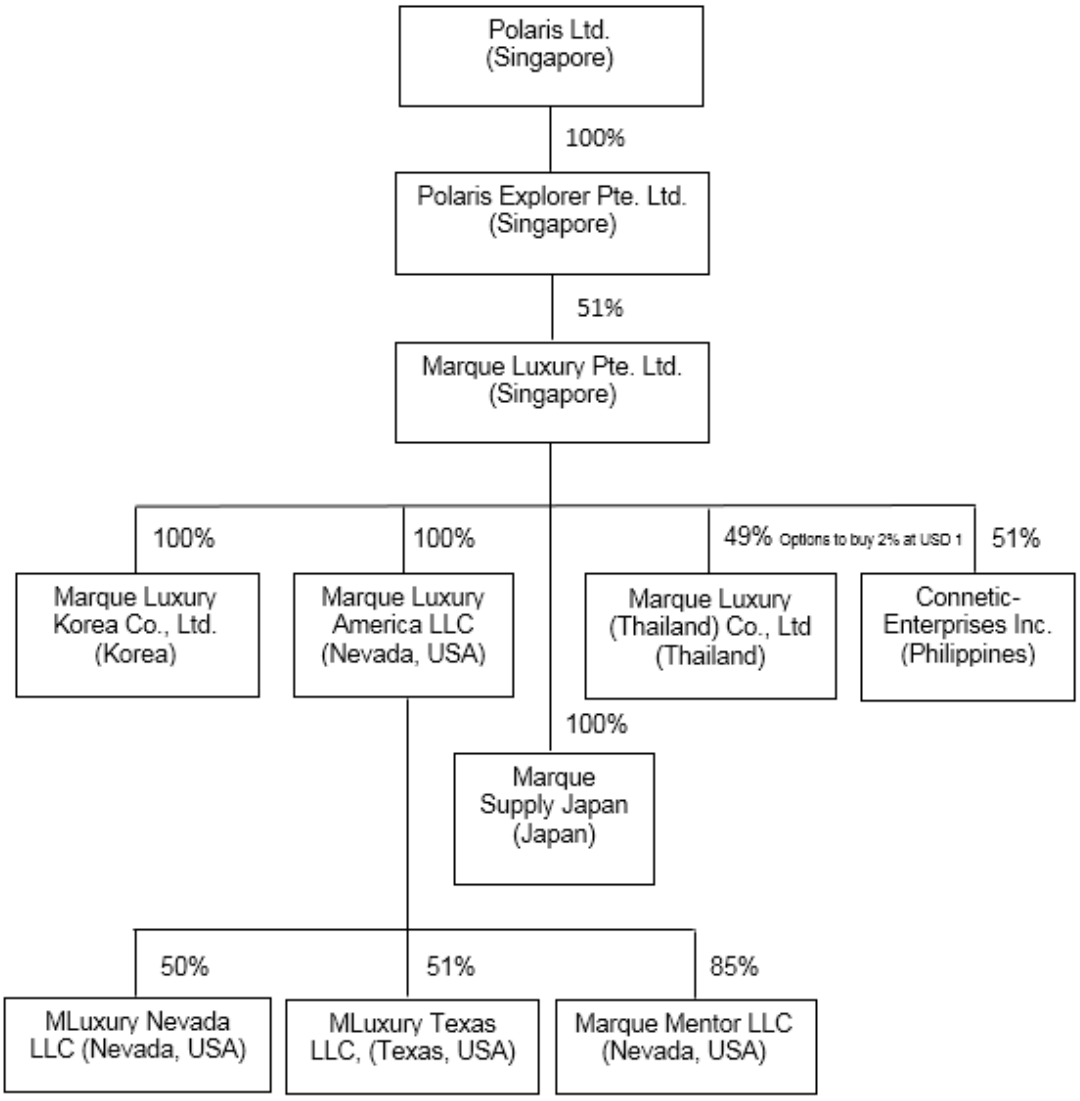
PEPL, MLL and Mr. Quentin Philip Caruana (being the parties to the JVA) have undertaken under the JVA that neither they nor MSC together with its subsidiaries, shall for the duration of the JVA and for a period of twelve (12) months after the termination of the JVA, directly or indirectly, (i) carry on or be employed, engaged or interested in any business which would be in competition with any part of the business of the JVCo; or (ii) contract or deal with any entity that is engaged in any business that is in competition with any part of the business of the JVCo.

4.5 Group Structure

As of the Latest Practicable Date, the Group structure in relation to the Pre-owned Business is as follows:



The resultant Group structure in relation to the Pre-owned Business after the Proposed Acquisition will be as follows:



5. CAPITALISATION OF EXISTING LOANS FOLLOWING THE COMPLETION OF THE PROPOSED ACQUISITION

As at the date of this announcement, Polaris Explorer Pte. Ltd. ("**PEPL**"), a wholly-owned subsidiary of the Company and 51% shareholder of the JVCo, has extended loans to the JVCo amounting to approximately US$3,800,000.

Following completion of the Proposed Acquisition, debts amounting to US$1,666,389 owing by the JVCo to PEPL, as well as the Remaining Amount (being US$1,601,040) owing by the JVCo to Marque Luxury LLC pursuant to the Proposed Acquisition, will be capitalised into the share capital of the JVCo (the "**Capitalisation**"). There will be no change in shareholding percentages of the JVCo following the Capitalisation, and the JVCo will remain as a 51% subsidiary of the Company.

6. RELATIVE FIGURES FOR THE PROPOSED ACQUISITION UNDER CHAPTER 10 OF THE CATALIST RULES

6.1 The relative figures in relation to the Proposed Acquisition are computed on the applicable bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**") based on the latest announced unaudited consolidated financial statements for the Group for the financial year ended 31 December 2020 ("**FY2020**") (as at the date of the Agreement).

Rule 1006	**Bases of Calculation**	**Relative Figure**
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable(1)
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	19.54%(2)
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	4.49%(3)
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable(4)
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable(5)

Notes:

(1) Rule 1006(a) of the Catalist Rules is not applicable to an acquisition of assets

(2) The net profit attributable to the assets acquired is US$26,239 (in respect of the Assets and the MM Sale Shares) and JPY220,975 (in respect of the MSJ Sale Shares) (or an aggregate of S$37,517 using the exchange rate of US$0.7564:S$1 and S$0.0128:JPY1 respectively) and the Group's net profit for FY2020 is S$192,000.

(3) The aggregate value of the consideration is the Purchase Consideration of US$2,290,144.45 (or S$3,065,256 using the exchange rate of US$0.74713:S$1). The market capitalisation of the Company is S$68,212,679 (as determined by multiplying 17,053,169,818 ordinary shares in issue ("**Shares**") as at the date of this announcement

by the volume weighted average price of the Shares of approximately S$0.004 for trades done on 11 March 2021, being the full market day immediately preceding the date of the Agreement).

(4) Rule 1006(d) of the Catalist Rules is not applicable as no equity securities has been issued by the issuer as consideration for an acquisition.

(5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

6.2 Having regard to the above, as the relative figures as computed under Rule 1006(b) in respect of the Proposed Acquisition exceeds 5% but does not exceed 75%, the Proposed Acquisition constitutes a "Discloseable Transaction" within the meaning of Chapter 10 of the Catalist Rules.

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

7.1 For illustrative purposes only, the financial effects of the Proposed Acquisition on the net tangible assets per share and earnings per share of the Group based on the latest announced audited financial statements of the Group for the financial year ended 31 December 2019 are set out below. **Please note that the financial figures are for illustrative purposes only and do not necessarily reflect the actual results and financial performance and position of the Group after the Proposed Acquisition. No representation is made as to the actual financial position and/or results of the Company after completion of the Proposed Acquisition.**

7.2 Net Tangible Assets

Had the Proposed Acquisition been effected on 31 December 2019, the financial effect on the net tangible assets ("**NTA**") of the Group is as follows

	Before the Acquisition	**After the Acquisition**
Consolidated NTA attributable to the shareholders of the Company (S$'000)	14,302	10,713(1)
Numberof issued shares (excluding treasury shares) ('000)	17,053,170	17,053,170
Net tangible assets per share (Singapore cents)	0.08	0.06

Note:

(1) Taking into consideration the NTA of the Assets of US$1,345,081, NTL of the Liabilities of US$1,749,903, NTL of the MM Sale Shares of US$133,711 and the NTA of the MSJ Sale Shares of JPY1,340,376, resulting in an aggregate NTL attributable to the assets acquired of S$694,757 (using the exchange rate of US$0.7564:S$1 and S$0.0128:JPY1 respectively).

7.3 Earnings

Had the Proposed Acquisition been effected on 1 January 2019, the financial impact on the effect on Company's earnings per share for the financial year ended 31 December 2019 is as follows:

	Before the Acquisition	After the Acquisition
Net profit attributable to shareholders after tax (S$'000)	256	294(1)
Number of issued shares (excluding treasury shares) ('000)	17,053,170	17,053,170
Earnings per share (Singapore cents)	0.001	0.002

Note:

(1) Taking into consideration the net profits attributable to the Assets of US$169,950 and the net loss attributable to the MM Sale Shares of US$143,711 and the net profits attributable to the MSJ Sale Shares of JPY220,975, resulting in an aggregate net profit attributable to the assets acquired of S$37,517 (using the exchange rate of US$0.7564:S$1 and S$0.0128:JPY1 respectively).

8. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Acquisition (other than their direct or indirect shareholdings in the Company).

9. SERVICE CONTRACTS

No person will be appointed to the board of directors of the Company in connection with the Proposed Acquisition and accordingly, no service contracts in relation thereto will be entered into by the Company.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement is available for inspection at the Company's office at 81 Ubi Avenue 4, #03-01 UB. One, Singapore 408830 during normal business hours for three (3) months from the date of this announcement.

11. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition the Capitalisation, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD
POLARIS LTD.

Soennerstedt Carl Johan Pontus
Director and Chief Executive Officer
12 March 2021

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*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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Appendix

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POLARIS LTD.
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(Company Registration No. 198404341D)

ENTRY INTO JOINT VENTURE AGREEMENT

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1. INTRODUCTION

The board of directors (the "**Board**") of Polaris Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that Polaris Explorer Pte. Ltd. ("**PEPL**"), a wholly-owned subsidiary of the Company has, on 5 November 2019, entered into a joint venture agreement ("**JVA**") with Marque Luxury LLC ("**MLL**") and Quentin Phillip Caruana ("**QC**") (collectively, the "**JV Partners**") to incorporate a new joint venture company in Singapore to engage in, conduct and carry on the business of importing, exporting, selling, distributing and marketing of the wholesale and retail of premium lifestyle products, including but not limited to preloved luxury handbags, both online and offline outside of North America and to MLL within North America ("**Business**").

A summary of the salient terms of the JVA are set out in paragraph 3 of this announcement.

2. INFORMATION ON THE JOINT VENTURE PARTNERS

The information on MLL, MSC and QC was provided by MLL, MSC and QC and/or extracted from publicly available sources. In respect of such information, the Company and the Directors have not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this announcement.

MLL is a limited liability company registered under the laws of the state of California. It is a wholly-owned subsidiary of Marque Supply Company, LLC ("**MSC**"), a limited liability company registered under the laws of the state of Nevada. The principle business activities of MLL and MSC are the resale of premium lifestyle products, particularly luxury handbags, in the United States of America. MSC, in turn, is wholly-owned by QC. QC has developed a deep knowledge and understanding of luxury handbags after close to a decade in the industry, and his global sourcing network as well as his resale distribution network in the US for luxury handbags are extensive. MLL was established in October 2019 for the purposes of entering into the JVA with PEPL.

MLL, MSC and QC are independent third parties and are not related to the Company or any of the Company's directors or controlling shareholders or their associates.

3. PRINCIPAL TERMS OF THE JOINT VENTURE AGREEMENT

3.1 Joint Venture Company

In accordance with the terms of the JVA, subject to satisfactory due diligence by PEPL on, *inter alia*, the JV Partners, PEPL and MLL shall incorporate a joint venture company in Singapore known as Marque Luxury Asia Pte Ltd (the "**JVCo**") within one month from the date of the JVA.

The JVCo will have a registered share capital of S$100, comprising 100 ordinary shares.

The shareholding structure of the JVCo shall be as follows:

Party	No. of shares in the JVCo	% of total issued share capital of the JVCo
PEPL	51	51%
MLL	49	49%

3.2 **Contributions of PEPL and MLL to the JVA**

The contributions of the PEPL and MLL to the JVCo are listed as follows:

PEPL will be responsible for contributing the following:

(a) Asian market experience;

(b) Asian supply chain management;

(c) business infrastructure in Asia;

(d) sourcing network in Asia;

(e) authentication and artificial intelligence network and expertise; and

(f) working capital.

MLL will be responsible for contributing the following:

(a) industry knowledge;

(b) sales network;

(c) access to the North American and European markets through MLL's sales network;

(d) access to suppliers; and

(e) B2B auction expertise.

3.3 **Board of Directors of the JVCo**

The board of directors of the JVCo shall consist of three directors, two of whom shall be nominated by PEPL and one shall be nominated by MLL.

3.4 **Restrictive Covenants**

Pursuant to the JVA, the Parties have undertaken that neither they nor MSC together with its subsidiaries, shall for the duration of the JVA and for a period of 12 months after the termination of

the JVA, directly or indirectly, (i) carry on or be employed engaged or interested in any business which would be in competition with any part of the Business; or (ii) contract or deal with any entity that is engaged in any business that is in competition with any part of the Business.

4. RATIONALE FOR THE JOINT VENTURE

This joint venture will enable the Group and the JV Partners to leverage their respective strengths to expand their respective businesses. The Group will gain access to the JV Partners' experience and knowledge in managing and operating the Business while the JV Partners will be able to tap on the Group's local knowledge, sales network and business infrastructure in Asia.

The Board believes that this joint venture will add value to the Group's existing businesses and will enable the Group to diversify its revenue stream and seize growing business opportunities in other synergistic industries.

5. NON-DISCLOSEABLE TRANSACTION

All relative figures of the abovementioned joint venture computed pursuant to Rule 1006 of the Catalist Rules of the Singapore Exchange Trading Limited ("**Catalist Rules**"), based on the Company's audited consolidated results for the most recently completed financial year, is less than 5% and accordingly, the abovementioned joint venture constitutes a non-discloseable transaction under Chapter 10 of the Catalist Rules.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company or their respective associates has any interest, directly or indirectly, in the above transaction other than through their respective interest (if any) in the Company.

7. TRADING CAUTION

Shareholders are advised to exercise caution in trading their shares in the Company. There is no certainty or assurance as at the date of this announcement that no changes will be made to the terms of the JVA or that the JVCo will be incorporated. The Company will make the necessary announcement(s) when there are further material developments on the JVA. Shareholders and potential investors of the Company are advised to read this announcement and further announcements made by the Company, if any, carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board
Soennerstedt Carl Johan Pontus
Executive Director & CEO
5 November 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd.

*This announcement 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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