



Company Registration No.: 198404341D

POLARIS LTD.
(Incorporated in the Republic of Singapore)
AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL FINANCIAL YEAR ENDED
31 DECEMBER 2022

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For the purpose of this announcement, “FY2022” refers to the full financial year ended 31 December 2022, whereas “FY2021” refers to the preceding full financial year ended 31 December 2021. “2H2022” refers to the six-month financial period ended 31 December 2022, whereas “2H2021” refers to the corresponding six-month financial period ended 31 December 2021.

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

		Group					
	Note	2H2022 S\$'000	2H2021 S\$'000	Increase/ (Decrease) %	FY2022 S\$'000	FY2021 S\$'000	Increase/ (Decrease) %
Revenue	4	32,246	33,299	(3.2)	70,073	53,441	31.1
Cost of sales		(27,637)	(26,295)	5.1	(58,128)	(41,976)	38.5
Gross profit		4,609	7,004	(34.2)	11,945	11,465	4.2
Other items of income:							
Other income	6	70	650	(89.2)	817	1,094	(25.3)
Other items of expense:							
Marketing and distribution		(1,632)	(891)	83.2	(2,948)	(1,502)	96.2
Administrative expenses		(9,374)	(5,956)	57.4	(15,245)	(9,756)	(56.2)
Finance costs		(47)	(306)	(84.6)	(167)	(565)	(70.4)
Other expenses	6	(229)	(226)	1.3	(701)	(989)	(29.0)
Profit / (Loss) before income tax	6	(6,603)	275	N.M.	(6,299)	(253)	N.M.
Income tax expense	7	31	12	N.M.	-*	(130)	N.M.
Profit / (Loss) for the period / year		(6,572)	287	N.M.	(6,299)	(383)	N.M.
Attributable to:							
Equity holders of the Company		(3,698)	152	N.M.	(3,734)	(394)	N.M.
Non-controlling interests		(2,874)	135	N.M.	(2,565)	11	N.M.
Total profit / (loss) for the period / year		(6,572)	287	N.M.	(6,299)	(383)	N.M.

N.M. denotes not meaningful

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

(cont'd)

	Group					
<u>Note</u>	2H2022 S\$'000	2H2021 S\$'000	Increase/ (Decrease) %	FY2022 S\$'000	FY2021 S\$'000	Increase/ (Decrease) %
Total profit / (loss) for the period / year	(6,572)	287	N.M.	(6,299)	(383)	N.M.
Other comprehensive income, net of tax:						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation	242	(17)	N.M.	410	(43)	N.M.
Other comprehensive income / (loss) for the period / year	242	(17)	N.M.	410	(43)	N.M.
Total comprehensive income / (loss) for the period / year	(6,330)	270	N.M.	(5,889)	(426)	N.M.
Attributable to:						
Equity holders of the Company	(3,638)	135	N.M.	(3,506)	(437)	N.M.
Non-controlling interests	(2,692)	135	N.M.	(2,383)	11	N.M.
Total comprehensive income / (loss) for the period / year	(6,330)	270	N.M.	(5,889)	(426)	N.M.
Earnings / (loss) per share attributable to equity holders of the Company:						
Basic and diluted (cents per share)	(0.0217)	0.0009	N.M.	(0.0219)	(0.0023)	N.M.

N.M. denotes not meaningful

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	
		31 December 2022 S\$'000	31 December 2021 S\$'000	31 December 2022 S\$'000	31 December 2021 S\$'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	9	3,525	4,056	3,394	3,571
Intangible assets		-	47	-	-
Investments in subsidiaries		-	-	856	-*
Other receivables		-	-	5,324	-
		<u>3,525</u>	<u>4,103</u>	<u>9,574</u>	<u>3,571</u>
Current Assets					
Trade and other receivables		1,426	1,773	2	9,497
Inventories		1,389	2,873	-	-
Prepayments		809	47	4	3
Cash and bank balances		6,326	2,102	2,959	242
		<u>9,950</u>	<u>6,795</u>	<u>2,965</u>	<u>9,742</u>
Assets of disposal group classified as held-for-sale		19,311	25,088	-	-
		<u>29,261</u>	<u>31,883</u>	<u>2,965</u>	<u>9,742</u>
Total Assets		<u>32,786</u>	<u>35,986</u>	<u>12,539</u>	<u>13,313</u>
LIABILITIES AND EQUITY					
Current Liabilities					
Loans and borrowings	10	400	781	380	417
Liabilities directly associated with disposal group classified as held- for-sale		18,183	14,827	-	-
Trade and other payables		1,170	1,145	4,040	4,064
Other liabilities		436	406	247	159
		<u>20,189</u>	<u>17,159</u>	<u>4,667</u>	<u>4,640</u>
Non-Current Liabilities					
Loans and borrowings	10	2,750	3,081	2,717	3,076
Total Liabilities		<u>22,939</u>	<u>20,240</u>	<u>7,384</u>	<u>7,716</u>
Equity Attributable to Equity Holders of the Company					
Share capital	11	402,747	402,747	402,747	402,747
Foreign currency translation reserve		(285)	(513)	-	-
Accumulated losses		(392,429)	(388,694)	(397,592)	(397,150)
		<u>10,034</u>	<u>13,540</u>	<u>5,155</u>	<u>5,597</u>
Non-controlling interests		(187)	2,206	-	-
Total Equity		<u>9,847</u>	<u>15,746</u>	<u>5,155</u>	<u>5,597</u>
Total Liabilities and Equity		<u>32,786</u>	<u>35,986</u>	<u>12,539</u>	<u>13,313</u>

* Less than S\$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

	Group	
	FY2022	FY2021
	S\$'000	S\$'000
Cash Flows from Operating Activities		
Loss before income tax from continuing operations	(6,299)	(253)
Adjustments for:		
Depreciation of property, plant and equipment	547	901
Finance costs	-	565
Net gain on disposal of assets held for sale		(28)
Unrealised exchange gain	410	103
Operating cash flows before changes in working capital	(5,342)	1,288
Changes in working capital:		
Inventories	5,819	(10,127)
Trade and other receivables, contract assets	910	620
Prepayments	878	(3,082)
Trade and other payables	(9,524)	6,740
Other liabilities	835	2,901
Cash flows used in operations	(6,424)	(1,660)
Interest paid	-	(565)
Income tax paid	1	(185)
Net cash flows used in operating activities	(6,423)	(2,410)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(39)	(635)
Purchase of intangible assets	-	(107)
Proceeds from disposal of assets held-for-sale	-	1,044
Net cash inflow on acquisition of subsidiary	-	(730)
Net cash flows used in investing activities	(39)	(428)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

(cont'd)

	Group	
	FY2022	FY2021
	S\$'000	S\$'000
Cash Flows from Financing Activities		
Net proceeds from bank loans	-	1,000
Advance from share subscription	11,398	-
Principal payment of lease liabilities	(317)	(374)
Repayment of bank loans	(395)	(175)
Net cash flows generated from financing activities	10,686	451
Net increase / (decrease) in cash and cash equivalents	4,224	(2,387)
Cash and cash equivalents at the beginning of the year	2,102	4,489
Cash and cash equivalents at the end of year	6,326	2,102

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

Group	<u>Share capital</u> S\$'000	<u>Foreign currency translation reserve</u> S\$'000	<u>Accumulated losses</u> S\$'000	<u>Total</u> S\$'000	<u>Non-controlling interests</u> S\$'000	<u>Total</u> S\$'000
Balance at 1 January 2022	402,747	(513)	(388,694)	13,540	2,206	15,746
(Loss)/profit for the year	-	-	(3,734)	(3,734)	(2,565)	(6,299)
Other comprehensive income	-	228	-	228	182	410
Total comprehensive income/(loss) for the year	-	228	(3,734)	(3,506)	(2,383)	(5,889)
Acquisition and incorporation of subsidiaries	-	-	-	-	(10)	-
Balance at 31 December 2022	402,747	(285)	(392,428)	10,034	(187)	9,847
Balance at 1 January 2021	402,747	(470)	(388,300)	13,977	77	14,054
(Loss) for the year	-	-	(394)	(394)	11	(383)
Other comprehensive income	-	(43)	-	(43)	-	(43)
Total comprehensive income/(loss) for the year	-	(43)	(394)	(437)	11	(426)
Acquisition and incorporation of subsidiaries	-	-	-	-	(25)	(25)
Capitalisation of amount due to non-controlling interest	-	-	-	-	2,143	2,143
Balance at 31 December 2021	402,747	(513)	(388,694)	13,540	2,206	15,746

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 its subsidiaries are set out in Note 4.

These condensed interim consolidated financial statements as at and for the six months and full financial year ended 31 December 2022 are in respect of the Company and its subsidiaries (collectively, the “**Group**”).

2. Basis of Preparation

These condensed interim consolidated financial statements for the six months and full financial year ended 31 December 2022 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 interim consolidated financial statements for the six months financial period ended 30 June 2022.

The accounting policies and methods of computations adopted in these condensed interim consolidated financial statements 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 below.

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

2.1 New and amended standards adopted by the Group

There has not been any change in the accounting policies and methods of computation adopted by the Group for the current reporting period compared with the audited financial statements for the financial year ended 31 December 2021, except for the adoption of new or revised SFRS(I) and interpretations of SFRS(I) (“**INT SFRS(I)**”) that are mandatory for the financial year beginning on or after 1 January 2022. The adoption of these SFRS(I) and INT SFRS(I) has no significant impact on the Group.

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) 1-1 <i>Presentation of Financial Statements - Classification of liabilities as current or non-current</i>	1 January 2023
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements and SFRS(I) Practice Statement 2 - Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8 <i>Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</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>	To be determined

The Group expects that the adoption of the other new and revised standards above will not have a material impact on the financial statements in the period of initial application.

2.3 Use of judgements and estimates

In preparing the condensed interim consolidated 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 audited financial statements as at and for the financial year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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 reporting purposes, the Group is organised into business units based on their products and services, and has the following reportable operating segments:

- I. The pre-owned luxury goods segment engages in the importing and exporting, and wholesale and retail of premium lifestyle products.
- II. The customer services segment provides after-market services to end consumers for equipment repairs, refurbishments and technical services in Singapore.
- III. The consumer electronics segment engages in the corporate sale of telecom, IT, educational robotics and consumer electronics products in Singapore.
- IV. The distribution segment distributes mobile handsets and accessories for leading brands. This segment is currently dormant following the disposal of the Company's shareholding interest in Polaristitans Philippines Inc. as announced by the Company on 4 June 2021.
- V. The corporate segment is involved in Group-level corporate services, treasury functions and investments in marketable securities. It is also involved in strategic investments and joint venture opportunities in emerging South East Asia markets to synergise and complement the Group's existing offerings.

The principal activities of the Company's subsidiaries are those of the reportable operating activities described above.

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:

	Group			
	Segment revenue		Segment profit/(loss)	
	FY2022 S\$'000	FY2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Distribution	-	1,208	-	(579)
Pre-owned luxury goods sales	50,061	33,125	(5,823)	323
Consumer electronics sales	17,334	16,619	(121)	(632)
Customer services	2,608	2,489	487	626
Other Revenue	70	-	(47)	-
Corporate	-	-	(1,445)	(520)
	<u>70,073</u>	<u>53,441</u>	<u>(6,949)</u>	<u>(782)</u>
Other income			817	1,094
Finance costs			(167)	(565)
Loss before income tax			<u>(6,299)</u>	<u>(253)</u>

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

Segment profit/(loss) represents the profit or loss earned or incurred 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

	Group	
	FY2022	FY2021
	S\$'000	S\$'000
Segment assets		
Distribution	-	491
Pre-owned luxury goods sales	21,330	27,081
Consumer electronics sales	3,489	4,370
Customer services	359	575
Corporate	7,608	3,469
Total segment assets	<u>32,786</u>	<u>35,986</u>
Consolidated total assets	<u>32,786</u>	<u>35,986</u>
Segment liabilities		
Distribution	-	36
Pre-owned luxury goods sales	18,440	15,019
Consumer electronics sales	780	404
Customer services	263	733
Corporate	706	555
Total segment liabilities	<u>20,189</u>	<u>16,747</u>
Unallocated: Loans and borrowings (excluding lease liabilities)	<u>2,750</u>	<u>3,493</u>
Consolidated total liabilities	<u>22,939</u>	<u>20,240</u>

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

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

- all assets are allocated to reportable segments; and
- all liabilities (other than loans and borrowings) are allocated to reportable segments.

4.1 Reportable segments (cont'd)

(c) Other segment information

	Group			
	Depreciation		Additions to non-current assets	
	FY2022 S\$'000	FY2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Distribution	-	6	-	17
Pre-owned luxury goods sales	279	300	39	1,870
Consumer electronics sales	74	340	-	5
Customer services	5	77	-	22
Corporate	189	178	-	3
	547	901	39	1,917

(d) Geographical information

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

	Group			
	Revenue		Non-current assets	
	FY2022 S\$'000	FY2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Singapore	22,689	21,148	3,479	4,005
Hong Kong	-	338	-	-
Indonesia	1,821	52	33	-
Philippines	1,291	1,883	8	3
United States	44,136	29,967	-	-
Korea	136	53	6	23
Thailand	-	-	-	9
Vietnam	-	-	-	16
Japan	-	-	-	47
	70,073	53,441	3,525	4,103

Non-current assets presented above consist of property, plant and equipment, intangible assets and other receivables 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.

	Group	
	FY2022	FY2021
	S\$'000	S\$'000
Principal geographical market		
<u>Distribution</u>		
- Philippines	-	1,208
<u>Pre-owned luxury goods sales</u>		
- Singapore	2,748	3,010
- Hong Kong	-	40
- Indonesia	1,751	52
- United States	44,136	29,967
- Philippines	1,290	3
- Korea	136	53
	50,061	33,125
<u>Consumer electronics sales</u>		
- Singapore	17,334	15,649
- Hong Kong	-	298
- Philippines	-	672
	17,334	16,619
<u>Customer services</u>		
- Singapore	2,608	2,489
<u>Other Revenue</u>		
- Indonesia	70	-
	<u>70,073</u>	<u>53,441</u>

	Group	
	FY2022	FY2021
	S\$'000	S\$'000
Major product or service lines and timing of revenue recognition		
Distribution	-	1,208
Pre-owned luxury goods sales	50,061	33,125
Consumer electronics sales	17,334	16,619
Customer services	2,608	2,489
Other Revenue	70	-
At a point of time	<u>70,073</u>	<u>53,441</u>

5. Financial assets and financial liabilities

	Group		Company	
	FY2022 S\$'000	FY2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Financial assets				
Cash and bank balances and trade and other receivables	7,752	3,759	2,961	9,738
Financial liabilities				
Trade and other payables, loan and borrowings, liabilities and other liabilities (Amortised cost)	4,757	5,522	7,385	7,690

6. Profit before taxation

6.1 Significant items

	Group	
	FY2022 S\$'000	FY2021 S\$'000
Other Income:		
Government grant	26	417
Rental and property tax rebate	3	-
Bargain purchase	42	-
Marketing support	53	-
Authentication service	3	-
Advisory fees	10	337
Miscellaneous income	680	340
	817	1,094
Finance Cost:		
Interest on borrowings	(88)	(404)
Bank Charges	(79)	(161)
	(167)	(565)
Other Expenses:		
Depreciation of property, plant and equipment and investment properties	(547)	(901)
Net foreign loss/(gain)	(6)	(103)
Inventories write-down	(75)	(33)
Provision for Impairment of Investment in Subsidiary	(75)	-
Other miscellaneous expenses [LK1][YL2]	2	48
	(701)	(989)

6.2 Related party transactions

There were no material related party transactions at the Group level 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:

	Group	
	FY2022 S\$'000	FY2021 S\$'000
Current year	-*	126
Under provision in respect of prior years	-	4
Current income tax expense	-*	130

* Less than S\$1,000

8. Net Asset Value

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Net assets value per ordinary share (cents)	0.058	0.092	0.030	0.033

9. Property, plant and equipment

During the financial year ended 31 December 2022, the Group acquired assets amounting to S\$38,580 (31 December 2021: S\$1,917,000). The assets amounting to S\$38,580 acquired during the financial period reported on were for the expansion of PT Mastro Luxe Indonesia's office and stores.

10. Borrowings

	Group	
	31 December 2022 S\$'000	31 December 2021 S\$'000
<u>Amount repayable within one year or less, or on demand</u>		
Secured	400	781
Unsecured	-	-
<u>Amount repayable after one year</u>		
Secured	2,750	3,081
Unsecured	-	-

The bank loan and borrowings of the Group are secured over certain properties of the Group.

11. Share Capital

The Company did not hold any treasury shares as at 31 December 2022 and 31 December 2021.

	The Group and the Company			
	31 December 2022		31 December 2021	
	Number of ordinary shares '000	Amount S\$'000	Number of ordinary shares '000	Amount S\$'000
Beginning and end of interim period	<u>17,053,170</u>	<u>402,747</u>	<u>17,053,170</u>	<u>402,747</u>

The Company's subsidiaries did not hold any shares in the Company as at 31 December 2022 and 31 December 2021.

Accordingly, there were no sales, transfers, cancellation and/or use of treasury shares or subsidiary holdings as at 31 December 2022 and 31 December 2021.

12. Subsequent events (after 31 December 2022)

There are no known subsequent events (after 31 December 2022) which have led to adjustments to this set of interim financial statements.

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.**

There were no changes in the Company's share capital for the six-month financial period ended 31 December 2022. There were no outstanding convertibles, treasury shares or subsidiary holdings as at 31 December 2022 and 31 December 2021.

	Number of issued shares '000	Issued and paid-up share capital S\$'000
Balance as at 31 December 2022 (excluding treasury shares and subsidiary holdings)	17,053,170	402,747
Balance as at 31 December 2021 (excluding treasury shares and subsidiary holdings)	17,053,170	402,747

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

	As at 31 December 2022 '000	As at 31 December 2021 '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 during 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 were no subsidiary holdings during 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.

3A 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 2021) 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 2021.

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 2022. 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).

	FY2022 S\$'000	FY2021 S\$'000
Continuing operations:		
Loss for the period attributable to owners of the Company used in the computation of basic loss per share	3,734	394
	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for basic loss per share computation	17,053,170	17,053,170
Loss per share attributable to owners of the Company (cents per share)		
Basic	0.022	0.002
Diluted	0.022	0.002

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

The diluted loss per share is calculated on the same basis as basic loss per share except that the denominator is adjusted to include any dilutive potential of ordinary shares deemed issued pursuant to the exercise of any outstanding convertibles at the beginning of each financial period. However, as disclosed above, there were no outstanding convertibles as at 31 December 2022 and 31 December 2021.

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

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Net asset value per ordinary share is calculated based on 17,053,169,818 (31 Dec 2022: 17,053,169,818) ordinary shares in issue at the end of the financial period under review and of the immediately preceding financial year (cents per share)	0.058	0.092	0.030	0.033

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

(a) Turnover, costs and earnings

For the financial year ended 31 December 2022 (“FY2022”), the Group recorded a turnover of S\$70.07 million, representing an increase of 31% over the turnover of the previous financial year ended 31 December 2021 (“FY2021”) of S\$53.44 million. For the second half of the financial year ended 31 December 2022 (“2H2022”), the Group recorded a turnover of S\$32.25 million, representing a decrease of 3% over the turnover for the second half of the financial year ended 31 December 2021 (“2H2021”) of S\$33.30 million. This decrease in turnover in 2H2022 as compared to 2H2021 was mainly due to the decreased turnover from the consumer electronics sales and customer services segments. Nevertheless, the pre-owned luxury goods segment saw an increase in turnover by 51% from S\$33.13 million in FY2021 to S\$50.06 million in FY2022 due to business expansion in the US and Asia. The turnover from the customer services segment increased by 5% from S\$2.49 million in FY2021 to S\$2.61 million in FY2022. The turnover from consumer electronics sales increased by 4% from S\$16.62 million in FY2021 to S\$17.33 million in FY2022. The turnover from the distribution sales of mobile handsets and accessories was zero in FY2022 as compared to S\$1.21 million in FY2021, due to the segment being dormant from the second half of FY2021 following the disposal of the Company’s shareholding interest in Polaristitans Philippines Inc. (as announced on 4 June 2021).

The Group’s cost of sales increased by 38% from S\$41.98 million in FY2021 to S\$58.13 million in FY2022, and by 5% from S\$26.30 million in 2H2021 to S\$27.64 million in 2H2022. Such increase was in line with the overall increase in the Group’s turnover from FY2021 to FY2022, even though turnover decreased by 3% from 2H2021 to 2H2022.

Due to the higher turnover of the Group in FY2022 as described above, the Group’s gross profit increased by 4% from S\$11.47 million in FY2021 to S\$11.95 million in FY2022. However, the Group’s gross profit decreased by 34% from S\$7.00 million in 2H2021 to S\$4.61 million in 2H2022.

Other income decreased by 25% from S\$1.10 million in FY2021 to S\$0.82 million in FY2022 and by 89% from S\$0.65 million in 2H2021 to S\$0.07 million in 2H2022. This was mainly due to lower government grants received.

The increases in marketing and distribution expenses by 96% from S\$1.50 million in FY2021 to S\$2.95 million in FY2022 and by 83% from S\$0.89 million in 2H2021 to S\$1.63 million in 2H2022 were mainly due to higher marketing and travelling expenses incurred in respect of our expanded pre-owned luxury goods business. The increases in administrative expenses by 56% from S\$9.76 million in FY2021 to S\$15.25 million in FY2022 and by 57% from S\$5.96 million in 2H2021 to S\$9.37 in 2H2022 were mainly due to the expanded pre-owned luxury goods business as well.

The Group’s finance costs decreased by 70% from S\$0.57 million in FY2021 to S\$0.17 million in FY2022 and by 85% from S\$0.31 in 2H2021 to S\$0.05 million in 2H2022, due to a decrease in bank charges and interest on borrowings.

Other expenses decreased by 29% from S\$0.99 million in FY2021 to S\$0.70 million in FY2022 and by 1% from S\$0.23 million in 2H2021 to S\$0.23 million in 2H2022. Depreciation of property, plant and equipment was S\$0.55 million in FY2022 as compared to S\$0.90 million in FY2021. Net loss on foreign exchange was S\$0.10 million in FY2021, as compared to a net loss of S\$0.01 million in FY2022.

The Group posted a net loss from continuing operations of S\$5.89 million for FY2022 as compared to a net loss of S\$0.43 million in FY2021 and a net loss of S\$6.33 million in 2H2022 compared to a net income of S\$0.27 million in 2H2021. The net losses from continuing operations in both FY2022 and 2H2022 were mainly due to losses incurred by our US subsidiary held for sale (Marque Luxury America, LLC) which expanded operations rapidly while not attaining its ambitious growth targets.

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

The Group's total assets decreased by S\$3.20 million from S\$35.99 million as at 31 December 2021 to S\$32.79 million as at 31 December 2022.

Property, plant and equipment comprised of property, plant and equipment and right of use ("ROU") assets. Property, plant and equipment decreased to S\$3.53 million as at 31 December 2022 as compared to S\$4.06 million as at 31 December 2021 due to depreciation of existing assets. The ROU assets comprise of leases of the retail outlet and motor vehicles.

Trade and other receivables decreased from S\$1.77 million as at 31 December 2021 to S\$1.43 million as at 31 December 2022, mainly due to the settlement of trade receivables.

Net assets held for sale as at 31 December 2022 was S\$1.12 million and decreased as compared to S\$10.26 million as at 31 December 2021. This variance was mainly due to losses incurred by Marque Luxury America, LLC ("MLA"), the asset held for sale, for FY2022.

Inventories decreased to S\$1.39 million as at 31 December 2022 from S\$2.87 million as at 31 December 2021, mainly due to the Group's closure of the Apple Premium Reseller store and write-off of aging stocks in FY2022.

Cash and bank balances increased from S\$2.10 million as at 31 December 2021 to S\$6.33 million as at 31 December 2022 due to collections of account receivables and a reduction in inventories held.

Trade and other payables increased slightly from S\$1.15 million as at 31 December 2021 to S\$1.17 million as at 31 December 2022.

Loans and borrowings comprised a bank loan on properties, lease liabilities and one temporary bridge loan. The bank loan on properties decreased to S\$3.15 million as at 31 December 2022 as compared to S\$3.86 million as at 31 December 2021 due to a partial repayment of the loan.

The Group's net cash flows used in operating activities was S\$6.42 million in FY2022 as compared to S\$2.41 million in FY2021. The higher net cash flows used in operating activities in FY2022 was mainly due to the loss for the financial year of S\$6.30 million.

The Group's net cash flows used in investing activities was S\$0.04 million in FY2022 as compared to S\$0.43 million in FY2021. The Group had acquired property, plant and equipment of S\$0.04 million in FY2022 for business expansion purposes.

Net cash flows generated from financing activities was S\$10.69 million in FY2022 as compared to S\$0.45 million in FY2021. The higher net cash flows generated from financing activities in FY2022 was mainly due to an advance from a share subscription (i.e. the capital injection received by Marque Luxury America LLC from Englory Media Holdings Pte. Ltd., further details of which are provided below). No additional bank loans were undertaken by the Group in FY2022.

Disclosures pursuant to Rule 706A(1)

On 26 October 2021, the Company announced that it had, on 24 October 2021, entered into a memorandum containing heads of agreement (“**Heads of Agreement**”) with Englory Media Holdings Pte. Ltd. (the “**Investor**”) and Marque Luxury LLC for, *inter alia*, a potential US\$10,000,000 investment by way of a subscription of equity interests in Marque Luxury America LLC (“**MLA**”) by the Investor (“**Potential Injection**”). If completed, the Potential Injection will result in a reduction of the Group’s effective interest in MLA from 51.0% (prior to the Potential Injection) to not less than 19.99% (after the Potential Injection), representing a maximum reduction in the Company’s effective interest in MLA of 31.01% (the “**Potential Dilution**”), and MLA will cease to be a subsidiary of the Group. On 23 February 2022, the Company announced that, pursuant to the Heads of Agreement, MLA had on 22 February 2022 entered into a subscription agreement with the Investor in relation to the Potential Injection (the “**Subscription Agreement**”), pursuant to which MLA shall sell and issue to the Investor, and the Investor shall purchase from MLA, 608,000 new Class A Units representing 60.8% of the total issued and outstanding Units of MLA for an aggregate purchase price of US\$10,000,000 (the “**Subscription Price**”), on the terms and subject to the conditions of the Subscription Agreement. The Subscription Price was determined by taking into account the net tangible assets and growth rate of MLA and will be satisfied in cash or any forms of goods and/or inventory, provided that the value attributed to all goods and/or inventory must be based on transfer prices in line with established accounting standards and mutually agreed between Polaris Explorer Pte. Ltd. (“**PEPL**”), a 100% owned subsidiary of the Company, and the Investor on an arm’s length basis. MLA has received the US\$10,000,000 capital injection cum Subscription Price from the Investor in February 2022 (as disclosed in the letter to shareholders in the Company’s annual report for the financial year ended 31 December 2021), which was the first of two key terms in the Heads of Agreement. Deconsolidation of MLA (i.e. completion of the Potential Dilution) was targeted to happen by February 2023, subject to the second key term being fulfilled, which is a credit facility of US\$10,000,000 to be procured by the Investor to fund the operations of MLA. The Board wishes to update shareholders that the Potential Dilution has not yet been completed as at the date of this announcement. As the agreed deadline has now passed and only part of the terms of the Heads of Agreement were met, the Company and its subsidiaries are now in negotiations with the Investor about the next steps and will update shareholders in due course.

On 23 September 2022, the Company announced that the Group had on 1 September 2022 incorporated a new subsidiary, Mastro Luxe South Africa (Pty) Ltd (“**MLZA**”), in the Republic of South Africa. The total issued and paid-up share capital of MLZA is South African Rand 1,000 comprising 1,000 ordinary shares (“**Shares**”), of which 51% of the Shares are held by Mastro Luxe Pte. Ltd. (“**MLS**”), a 51% indirectly owned subsidiary of the Company, and the remaining 49% are held by Mina Investments Proprietary Limited.

On 21 November 2022, the Company announced that the Company, together with PEPL, had on 18 November 2022 incorporated a subsidiary, PT Polaris Orbit Indonesia (“**POI**”), in the Republic of Indonesia. The authorized share capital of POI is IDR40,000,000,000 and the paid-up share capital is IDR10,000,000,000 comprising 10,000 shares of IDR1,000,000 each. The Company holds 99% of the shares in POI and PEPL holds the remaining 1% of the shares in POI.

On 4 January 2023, the Company announced that Marque Luxury (Thailand) Co., Ltd (“**MLTH**”), a 24.99%-owned associated company of the Company, has been dissolved with effect from 5 November 2022. Immediately prior to the dissolution, MLTH was 49%-owned by MLS.

On 5 January 2023, the Company announced that Marque Luxury Vietnam Company Limited (“**MLVN**”), a 40.8%-owned associated company of the Company, has been dissolved with effect from 29 December 2022. Immediately prior to the dissolution, MLVN was 80%-owned by MLS.

For further information on the above, please refer to the relevant announcements on SGXNET.

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

Consistent with our previous disclosure in the condensed interim consolidated financial statements for the six months ended 30 June 2022 as announced on 12 August 2022, the customer services business segment saw a slow-down in 2H2022 with lower profits in FY2022 as compared to FY2021, due to the shifting business plans of a key business partner. In addition, the consumer electronics business segment saw a reduction in losses year on year from S\$0.63 million in FY2021 to S\$0.12 million in FY2022, as the Company closed its loss-making retail store.

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 pre-owned luxury goods space, in which the Company's pre-owned luxury goods re-commerce business operates, has seen lower ticket items becoming more popular as the outlook for the economy has remained uncertain.

Our consumer electronics segment was strengthened by securing improved terms with a major manufacturer and closing our loss-making retail shop. We also exited the educational robotics business to focus on corporate sales and government tenders.

As anticipated and previously disclosed in the condensed interim consolidated financial statements for the six months financial period ended 30 June 2022, the customer services business segment saw a substantial contraction in the latter half of FY2022 due to changes in the business plans of a key partner.

The Group is committed to expanding its sustainability-focused businesses, including our pre-owned luxury goods business in Asia, and our planned low environmental impact protein and digital advertising ventures in Indonesia. Meanwhile, we are actively pursuing the dilution of our pre-owned luxury goods business in the US, as our joint venture company, MLA, is unable to meet the capital requirements necessary to sustain its current level of growth and expansion. The Group plans to instead focus on its pre-owned luxury goods business in Indonesia, the Philippines, Korea, Singapore and South Africa.

11 If a decision regarding dividend has been made:

- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and**
- (b)(i) Amount per share (cents)**
- (b)(ii) Previous corresponding period (cents)**
- (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.)**
- (d) The date the dividend is payable.**
- (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.**

No decision regarding dividend has been made, and no dividend was declared for the current financial period reported on or the previous corresponding financial period.

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 or any offerings pursuant to Chapter 8 of the Listing Manual for the period under review.

- 15 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.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENTS

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

For segmented revenue and results for operating segments, please refer to Note 4 on pages 10 to 14 of this announcement.

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

The pre-owned luxury goods sales revenue increased by 51% from S\$33.13 million in FY2021 to S\$50.06 million in FY2022, following an expansion of sales in both Asia and the US.

Further explanations for material changes in contributions to turnover and earnings are provided on pages 21 – 22 of this announcement.

- 18 Breakdown of sales:**

	Group		
	FY2022 S\$'000	FY2021 S\$'000	% increase/ (decrease)
(a) Sales reported for first half year	37,827	20,142	87.8
(b) Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year	304	(528)	157.6
(c) Sales reported for second half year	32,246	33,299	(3.16)
(d) Operating profit/(loss) after tax before deducting non-controlling interests reported for second half year	(6,603)	275	(2,401)

- 19 A breakdown of the total annual dividend (in dollar value) for the issuer’s full year and its previous full year as follows:**

Not applicable.

No dividend has been declared or recommended for FY2022 and FY2021 due to the accumulated losses of the Group.

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

Name	Age	Family relationship with any director, CEO or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Dian Stefani Sugialam	31	Daughter of Mr. Sugiono Wiyono Sugialam (“ Mr. Sugiono ”). Mr. Sugiono is an Executive Director and the Chairman of the Board of Directors of the Company. He is also a substantial shareholder of the Company.	Executive Director of Mastro Luxe Asia Pte Ltd, a 51%-owned subsidiary of the Company (since November 2019)	N.A

On behalf of the Board of Directors,

Soennerstedt Carl Johan Pontus
Executive Director & Chief Executive Officer

Mr Sugiono Wiyono Sugialam
Executive Director & Executive Chairman

Date: 1 March 2023

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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