

**Company Registration No.: 198404341D**

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

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED  
30 JUNE 2022**

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**POLARIS LTD.**

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




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**UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022**


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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**

	Note	Group		
		6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000	Increase/ (Decrease) %
Revenue		37,827	20,928	81
Cost of sales		(30,490)	(16,214)	88
<b>Gross profit</b>		<b>7,337</b>	<b>4,714</b>	<b>56</b>
Other items of income:				
Other income		747	199	275
Other items of expense:				
Marketing and distribution		(1,316)	(509)	158
Administrative expenses		(5,871)	(3,648)	61
Finance costs		(120)	(137)	(12)
Other expenses		(472)	(319)	48
Share of results of associate, net of tax		(1)	-	N.M.
<b>Profit before income tax</b>	6	<b>304</b>	<b>300</b>	<b>1</b>
Income tax expense	7	(31)	(18)	77
<b>Profit for the period</b>		<b>273</b>	<b>282</b>	<b>(3)</b>
<b>Attributable to:</b>				
Equity holders of the Company		(36)	(71)	(49)
Non-controlling interests		309	353	(12)
<b>Total profit for the period</b>		<b>273</b>	<b>282</b>	<b>(3)</b>

N.M. denotes not meaningful

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

(cont'd)

	<b>Group</b>			
	<u>Note</u>	6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000	Increase/ (Decrease) %
<b>Total profit for the period</b>		273	282	(3)
<b>Other comprehensive income, net of tax:</b> <i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation		168	-	-
<b>Other comprehensive income for the period</b>		168	-	-
<b>Total comprehensive income for the period</b>		441	282	56
<b>Attributable to:</b>				
Equity holders of the Company		132	(71)	285
Non-controlling interests		309	353	(12)
<b>Total comprehensive income for the period</b>		441	282	56
<b>Loss per share attributable to equity holders of the Company:</b>				
Basic and diluted (cents per share)		(0.0002)	(0.0004)	(46)

**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
		2022	2021	2022	2021
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	9	3,612	4,056	3,482	3,571
Intangible assets		47	47	-	-
Investments in associate		9	-	-	-*
Other receivables		-	-	-	-
		<u>3,668</u>	<u>4,103</u>	<u>3,482</u>	<u>3,571</u>
<b>Current Assets</b>					
Trade and other receivables		1,993	1,773	5,492	9,497
Contract assets		-	-	-	-
Inventories		2,387	2,873	-	-
Prepayments		48	47	1	3
Cash and bank balances		6,612	2,102	4,562	242
		<u>11,040</u>	<u>6,795</u>	<u>10,055</u>	<u>9,742</u>
Assets of disposal group classified as held-for-sale		20,596	25,088	-	-
		<u>31,636</u>	<u>31,883</u>	<u>10,055</u>	<u>9,742</u>
<b>Total Assets</b>		<b><u>35,304</u></b>	<b><u>35,986</u></b>	<b><u>13,537</u></b>	<b><u>13,313</u></b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current Liabilities</b>					
Loans and borrowings	10	196	781	196	417
Liabilities directly associated with disposal group classified as held-for-sale	10	14,108	14,827	-	-
Trade and other payables		1,404	1,145	4,141	4,064
Other liabilities		295	406	152	159
Provision for income tax		-	-	-	-
		<u>16,003</u>	<u>17,159</u>	<u>4,489</u>	<u>4,640</u>
<b>Non-Current Liabilities</b>					
Loans and borrowings	10	3,124	3,081	3,105	3,076
<b>Total Liabilities</b>		<u>19,127</u>	<u>20,240</u>	<u>7,594</u>	<u>7,716</u>
<b>Equity Attributable to Equity Holders of the Company</b>					
Share capital	11	402,747	402,747	402,747	402,747
Fair value adjustment		-	-	-	-
Foreign currency translation reserve		(345)	(513)	-	-
Accumulated losses		(388,730)	(388,694)	(396,804)	(397,150)
		<u>13,672</u>	<u>13,540</u>	<u>5,943</u>	<u>5,597</u>
Non-controlling interests		2,505	2,206	-	-
<b>Total Equity</b>		<u>16,177</u>	<u>15,746</u>	<u>5,943</u>	<u>5,597</u>
<b>Total Liabilities and Equity</b>		<b><u>35,304</u></b>	<b><u>35,986</u></b>	<b><u>13,537</u></b>	<b><u>13,313</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 2022 S\$'000	6 months ended 30 June 2021 S\$'000
<b>Cash Flows from Operating Activities</b>		
Profit before income tax	304	300
Adjustments for:		
Depreciation of property, plant and equipment	569	334
Finance costs	120	137
Interest income	-	-
Share of results of associate	1	-
Unrealised exchange gain	93	6
Operating cash flows before changes in working capital	<u>1,087</u>	<u>777</u>
Changes in working capital:		
Inventories	486	(3,620)
Trade and other receivables, contract assets	4,196	906
Prepayments	(2)	(342)
Trade and other payables	(569)	1,736
Other liabilities	(104)	251
Cash flows used in operations	<u>5,094</u>	<u>(292)</u>
Interest received	-	-
Interest paid	(120)	(41)
Income tax paid	(31)	-
<b>Net cash flows generated from/(used in) operating activities</b>	<u>4,943</u>	<u>(333)</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(22)	(280)
Proceeds from disposal of right of use assets	309	-
Net proceeds from disposal of asset held-for-sale	-	812
Investment in associate	(10)	-
Net cash outflow on acquisition of subsidiary	-	(2,376)
<b>Net cash flows generated from/(used in) investing activities</b>	<u>277</u>	<u>(1,844)</u>

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

	<b>Group</b>	
	6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000
<b>Cash Flows from Financing Activities</b>		
New loans and borrowings	-	1,217
Repayments of bank loans	(192)	(119)
Net proceeds from lease liabilities	(350)	(252)
<b>Net cash flows (used in)/generated from financing activities</b>	<u>(542)</u>	<u>866</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	4,678	(1,309)
<b>Cash and cash equivalents at the beginning of the year</b>	2,102	4,489
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies	(168)	-
<b>Cash and cash equivalents at the end of period</b>	<u>6,612</u>	<u>3,180</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 2022</b>	402,747	-	(513)	(388,694)	13,540	2,206	15,746
(Loss)/profit for the year	-	-	-	(36)	(36)	309	273
Other comprehensive income	-	-	168	-	168	-	168
<b>Total comprehensive income/(loss) for the year</b>	-	-	168	(36)	132	309	441
Acquisition and incorporation of subsidiaries/associate	-	-	-	-	-	(10)	(10)
<b>Balance at 30 June 2022</b>	402,747	-	(345)	(388,730)	13,672	2,505	16,177
<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



## 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 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”).

### 2 Basis of Preparation

These condensed interim consolidated financial statements for the six months financial period ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. These condensed interim consolidated 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 since the last audited consolidated financial statements for the financial year ended 31 December 2021.

The accounting policies and methods of computation 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 certain new and amended standards as set out in Note 2.1 below.

The condensed interim consolidated 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 2022, the Group adopted new and revised SFRS(I)s and interpretations to SFRS(I) (“**INT SFRS(I)**”) that are mandatory for application for the financial period. The adoption of these new and amended SFRS(I) and INT SFRS(I) did not have a material impact on these condensed interim consolidated financial statements.

## 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 consolidated 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 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 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 Southeast 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:

	<b>Group</b>			
	<b>Segment revenue</b>		<b>Segment profit/(loss)</b>	
	30 June 2022 S\$'000	30 June 2021 S\$'000	30 June 2022 S\$'000	30 June 2021 S\$'000
Distribution	-	1,208	(32)	(232)
Pre-owned luxury goods sales	26,848	11,193	601	749
Consumer electronics sales	9,257	7,334	21	(390)
Customer services	1,722	1,193	428	216
Corporate	-	-	(650)	94
	<u>37,827</u>	<u>20,928</u>	<u>368</u>	<u>437</u>
Share of results of associate			-	-
Interest income			-	-
Finance costs			(64)	(137)
Profit before income tax			<u>304</u>	<u>300</u>

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

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

	<b>Group</b>	
	30 June 2022 S\$'000	30 June 2021 S\$'000
<b>Segment assets</b>		
Distribution	501	1,004
Pre-owned luxury goods sales	22,608	14,690
Consumer electronics sales	3,545	4,113
Customer services	590	368
Corporate	8,051	5,973
Total segment assets	35,295	26,148
Unallocated: Investment in an associate*	9	-
Consolidated total assets	35,304	26,148
<b>Segment liabilities</b>		
Distribution	43	36
Pre-owned luxury goods sales	14,325	3,713
Consumer electronics sales	627	956
Customer services	555	291
Corporate	277	285
Total segment liabilities	15,827	5,281
Unallocated: Loans and borrowings (excluding lease liabilities)	3,300	4,502
Consolidated total liabilities	19,127	9,783

\* Includes 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 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 2022	30 June 2021	30 June 2022	30 June 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Distribution	-	2	-	-
Pre-owned luxury goods sales	403	28	22	277
Consumer electronics sales	74	173	-	-
Customer services	4	41	-	-
Corporate	88	90	-	3
	<b>569</b>	<b>334</b>	<b>22</b>	<b>280</b>

##### (d) Geographical information

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

	<b>Group</b>			
	<b>Revenue</b>		<b>Non-current assets</b>	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	13,568	8,926	3,582	4,240
Hong Kong	-	329	-	-
Indonesia	192	4	-	-
Philippines	-	1,465	1	4
United States	24,017	10,131	-	393
Korea	50	73	13	31
Thailand	-	-	4	15
Vietnam	-	-	12	18
	<b>37,827</b>	<b>20,928</b>	<b>3,612</b>	<b>4,701</b>

Non-current assets 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 2022 S\$'000	30 June 2021 S\$'000
<b>Principal geographical market</b>		
<u>Distribution</u>		
- Philippines	-	1,208
<u>Pre-owned luxury goods sales</u>		
- Singapore	2,589	953
- Hong Kong	-	31
- Indonesia	192	4
- United States	24,017	10,132
- Korea	50	73
	26,848	11,193
<u>Consumer electronics sales</u>		
- Singapore	9,257	7,334
<u>Customer services</u>		
- Singapore	1,722	1,193
	<u>37,827</u>	<u>20,928</u>
	<b>Group</b>	
	30 June 2022 S\$'000	30 June 2021 S\$'000
<b>Major product or service lines and timing of revenue recognition</b>		
Distribution	-	1,208
Pre-owned luxury goods sales	26,848	11,193
Consumer electronics sales	9,257	7,334
Customer services	1,722	1,193
At a point of time	<u>37,827</u>	<u>20,928</u>

## 5 Financial assets and financial liabilities

	Group		Company	
	30 June 2022 S\$'000	31 December 2021 S\$'000	30 June 2022 S\$'000	31 December 2021 S\$'000
<b>Financial assets</b>				
Cash and bank balances and trade and other receivables	8,500	3,759	10,053	9,739
<b>Financial liabilities</b>				
Trade and other payables, loans and borrowings, lease liabilities and other liabilities (Amortised cost)	4,897	5,371*	7,320	7,690

\*This figure was inaccurately reflected as S\$5,522,000 in Note 28 on page 111 in the annual report for FY2021.

## 6 Profit before taxation

### 6.1 Significant items

	Group	
	6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000
<b>Other Income:</b>		
Investment income	-*	-
Government grant	76	208
Miscellaneous income	671	8
Interest income	-*	-*
<b>Other Items of Expenses:</b>		
Interest on borrowings	41	137
Depreciation of property, plant and equipment and investment properties	569	334
Foreign exchange (gain), net	(93)	(79)
Reversal of inventory written down/inventory written down	(1)	15

\*Amount less the S\$1,000

### 6.2 Related party transactions

There were no 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 income tax expense in the condensed interim consolidated statement of profit or loss and other comprehensive income is re-stated below:

	<b>Group</b>	
	6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000
Income tax expense	31	18

## 8 Net Asset Value

	<b>Group</b>		<b>Company</b>	
	30 June 2022 S\$	31 December 2021 S\$	30 June 2022 S\$	31 December 2021 S\$
Net asset value per ordinary share (in cents)	0.080	0.079	0.035	0.033

## 9 Property, plant and equipment

During the six months financial period ended 30 June 2022, the Group acquired assets amounting to S\$22,000 (30 June 2021: S\$280,000). The assets amounting to \$22,000 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 2022 S\$'000	31 December 2021 S\$'000
<u>Amount repayable within one year or less, or on demand</u>		
Secured	196	417
Unsecured	-	-
<u>Amount repayable after one year</u>		
Secured	3,105	3,076
Unsecured	-	-

The bank borrowings and credit facilities of the Group are secured over certain properties of the Group. These comprise loans and borrowings directly associated with the Company.

## 11 Share Capital

	<b>The Group and the Company</b>			
	30 June 2022		31 December 2021	
	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 2022 and 31 December 2021.

The Company's subsidiaries did not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

## 12 Subsequent events (after 30 June 2022)

There are no known subsequent events (after 30 June 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.**

### Changes in Company's Share Capital:

There were no changes in the Company's share capital during the six-month financial period ended 30 June 2022. There were no outstanding convertibles, treasury shares or subsidiary holdings as at 30 June 2022 and 30 June 2021.

	Number of issued shares '000	Issued and paid-up share capital S\$'000
Balance as at 30 June 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 30 June 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.

**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 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).**

	Six Months Ended	
	30 Jun 2022 S\$'000	30 Jun 2021 S\$'000
Continuing operations:		
Loss for the period attributable to owners of the Company used in the computation of basic earnings per share	(36)	(71)
	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>Loss per share attributable to owners of the Company (cents per share)</b>		
Basic	0.0002	0.0004
Diluted	0.0002	0.0004

The basic loss 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 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 30 June 2022 and 30 June 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	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
Net asset value per ordinary share is calculated based on 17,053,169,818 (31 Dec 2021: 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)	0.080	0.079	0.035	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 six months financial period ended 30 June 2022 (“**1HFY2022**”), the Group recorded a turnover of S\$37.83 million, representing an increase of 81% over the turnover for the six months financial period ended 30 June 2021 (“**1HFY2021**”) of S\$20.93 million. The increase was mainly due to the following: (i) consumer electronics sales increased by 26% from S\$7.33 million in 1HFY2021 to S\$9.26 million in 1HFY2022; (ii) revenue from the pre-owned luxury goods segment increased by 140% from S\$11.19 million in 1HFY2021 to S\$26.85 million in 1HFY2022; and (iii) revenue from the customer services segment increased 44% from S\$1.19 million in 1HFY2021 to S\$1.72 million in 1HFY2022. Following the disposal of the Company’s entire 40% stake in Polaristitans Philippines Inc. as announced on 4 June 2021, the Group is no longer engaged in the distribution sale of mobile handsets and accessories with effect from the second half of the financial year ended 31 December 2021. Accordingly, the distribution segment did not generate any revenue in 1HFY2022 (1HFY2021: S\$1.21 million).

The Group’s cost of sales increased by 88% from S\$16.21 million in 1HFY2021 to S\$30.49 million in 1HFY2022, such increase being in tandem with the increase in the Group’s turnover from 1HFY2021 to 1HFY2022 as described above.

Due to the higher turnover of the Group in 1HFY2022 as described above, the Group's gross profit increased 56% from S\$4.71 million in 1HFY2021 to S\$7.34 million in 1HFY2022.

The Group’s interest income remained at nil in 1HFY2022 as no interest was received from trade receivables from third parties. The increase in other income by 275% from S\$0.20 million in 1HFY2021 to S\$0.75 million in 1HFY2022 was primarily due to an increase in third party authentication services provided by our pre-owned business.

The increase in marketing and distribution expenses by 158% from S\$0.51 million in 1HFY2021 to S\$1.32 million in 1HFY2022 was mainly due to higher marketing and travelling expenses incurred in respect of our expanded pre-owned luxury goods business. The increase in administrative expenses by 61% from S\$3.65 million in 1HFY2021 to S\$5.87 million in 1HFY2022 was mainly due to the expanded pre-owned luxury goods business as well.

The Group’s finance cost decreased by 12% from S\$0.14 million in 1HFY2021 to S\$0.12 million in 1HFY2022.

Other expenses increased by 48% from S\$0.32 million in 1HFY2021 to S\$0.47 million in 1HFY2022. This increase was due to the higher depreciation of property, plant and equipment of S\$0.57 million in 1HFY2022 as compared to S\$0.33 million in 1HFY2021, and a larger net gain in foreign exchange of S\$0.09 million in 1HFY2022 as compared to a net gain on foreign exchange of S\$0.08 million in 1HFY2021.

The Group posted a net profit from continuing operations of S\$0.13 million for 1HFY2022, compared to a net loss of S\$0.07 million in 1HFY2021. This was due to reduced losses in the distribution segment, improved profitability in the customer services and consumer electronics segments, as well an exchange translation gain, all of which made up for the comparatively lower profit in the pre-owned luxury goods segment and reduced government support in the form

of government grants.

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

The Group's total assets decreased by S\$0.69 million from S\$35.99 million as at 31 December 2021 to S\$35.30 million as at 30 June 2022.

Property, plant and equipment comprised of property, plant and equipment and right of use ("ROU") assets. Property, plant and equipment decreased to S\$3.61 million as at 30 June 2022 as compared to S\$4.06 million as at 31 December 2021.

Trade and other receivables increased to S\$1.99 million as at 30 June 2022 as compared to S\$1.77 million as at 31 December 2021 mainly due to the settlement of trade receivables.

Inventories decreased to S\$2.39 million as at 30 June 2022 as compared to S\$2.87 million as at 31 December 2021, mainly due to lower consumer electronics inventories.

The assets held-for-sale comprised the net carrying amount of S\$20.6 million which the Group has committed to sell as at 30 June 2022, in comparison to S\$25.1 million as at 31 December 2021. The assets held-for-sale included property, plant and equipment, intangible asset, goodwill, trade and other account receivables, cash and bank balance, and the disposal group classified as held-for-sale (pursuant to the Potential Dilution of Marque Luxury America).

Trade and other payables increased to S\$1.40 million as at 30 June 2022 as compared to S\$1.15 million as at 31 December 2021, owing mainly to an increase in credit purchases.

Loans and borrowings comprised a bank loan on properties, lease liabilities and one temporary bridge loan ("TBL"). The bank loan on properties decreased to S\$3.30 million as at 30 June 2022 as compared to S\$3.49 million as at 31 December 2021 owing to repayment of loans. Lease liabilities decreased to S\$0.02 million as at 30 June 2022 as compared to S\$0.37 million as at 31 December 2021 owing to the exit from a retail lease agreement. The TBL decreased to S\$0.90 million as at 30 June 2022 as compared to S\$1.00 million as at 31 December 2021 owing to repayment of loan.

The Group's net cash flows generated from operating activities was S\$4.94 million in 1HFY2022 as compared to net cash used in operating activities of S\$0.33 million in 1HFY2021, due to repayment of loans to the Company.

The Group's net cash flows generated from investing activities was S\$0.28 million in 1HFY2022 as compared to a net cash flow used in investing activities of S\$1.84 million in 1HFY2021. This was mainly because there was a net cash outflow on acquisition of subsidiary of S\$2.38 million in 1HFY2021.

Net cash flows used in financing activities was S\$0.54 million in 1HFY2022 as compared to net cash flows generated from financing activities of S\$0.87 million in 1HFY2021. This was mainly due to the repayment of a loan in 1HFY2022.

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 has 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. 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) will 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.

On 3 March 2022, the Company announced that Marque Luxury Pte. Ltd. ("**MLS**"), an indirect 51% owned subsidiary of the Company, together with Polaris Explorer Pte. Ltd. ("**PEPL**"), a 100% owned subsidiary of the Company, had on 1 March 2022 incorporated a subsidiary, PT Mastro Luxe Indonesia ("**MLI**"), in the Republic of Indonesia. The authorised share capital of MLI is IDR10,000,000,000 comprising 10,000 shares of IDR1,000,000 each, of which 9,900 shares (representing 99% of the paid-up share capital) in MLI are held by MLS and the remaining 100 shares (representing the remaining 1% of the paid-up share capital) in MLI are held by PEPL.

For further information on the above matters, 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.**

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.**

As society and the economy gradually adjusted to the effects of the pandemic, the Group delivered strong revenue growth in 1HFY2022, while rising costs and tighter margins held back growth in profitability.

Nevertheless, the pre-owned luxury goods industry, particularly in the US and Asia, is benefiting from the increasing attention on sustainability worldwide.

Our consumer electronics segment managed to deliver growth by expanding corporate accounts and growing sales to existing customers, thereby making up for the loss of retail revenue when closing the Apple Premium Reseller store on 31 March 2022. As the store was loss-making, it is expected that the consumer electronics segment will benefit from the closure. Educational robotics is continuing to ride the STEM education (i.e. in science, technology, engineering and mathematics) wave in Singapore.



After a strong 1HFY2022, the customer services business segment is expected to see a slow-down in the second half of the financial year ending 31 December 2022 as a result of the shifting business plans of a key business partner.

The Group remains cautiously optimistic that our improved performance in the consumer electronics and pre-owned luxury goods business segments will make up for headwinds in the customer services segment. We continue to pivot ourselves as a company focused on sustainability-related businesses, with our pre-owned luxury goods business further expanding its share of the Group's total business.

- 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 its directors and executive officers in the required format.

On behalf of the Board of Directors,

Soennerstedt Carl Johan Pontus  
Executive Director & Chief Executive Officer

Sugiono Wiyono Sugialam  
Executive Director & Executive Chairman

Date: 12 August 2022

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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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