Company Registration No.: 198404341D

POLARIS LTD.
(Incorporated in Singapore)
AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED
30 JUNE 2023

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UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

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 2023	6 months ended 30 June 2022 (restated)*	6 months ended 30 June 2022 (previously announced)^	Increase/ (Decrease)
		(A) S$'000	(B) S$'000	(C) S$'000	(A) vs (B) %
Revenue		9,901	13,810	37,827	(28.3)
Cost of sales		(8,693)	(12,021)	(30,490)	(27.7)
Gross profit		1,208	1,789	7,337	(32.5)
Other items of income:					
Other income		212	302	747	(29.8)
Other items of expense:					
Marketing and distribution		(176)	(124)	(1,316)	41.9
Administrative expenses		(1,892)	(2,197)	(5,871)	(13.9)
Finance costs		(51)	(101)	(120)	(49.5)
Other expenses		(240)	(204)	(472)	17.6
Share of results of associate, net of tax		-	(1)	(1)	(100.0)
(Loss)/Profit before income tax	6	(939)	(536)	304	75.2
Income tax expense	7	(1)	(31)	(31)	(96.8)
(Loss)/Profit for the period		(940)	(567)	273	65.8
Attributable to:					
Equity holders of the Company		(703)	160	(36)	N.M
Non-controlling interests		(237)	(727)	309	(67.4)
Total (loss)/profit for the period		(940)	(567)	273	65.8

* Please refer to the note regarding the basis for restatement on page 3.

^ Based on the condensed interim consolidated financial statements for the six months financial period ended 30 June 2022 as previously announced on 12 August 2022 on SGXNet, which had been prepared on the basis that Marque Luxury America LLC was a subsidiary of the Group.

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

	Group			
	6 months ended 30 June 2023	6 months ended 30 June 2022 (restated)*	6 months ended 30 June 2022 (previously announced)^	Increase/ (Decrease)
	(A) S$'000	(B) S$'000	(C) S$'000	(A) vs (B) %
Total (loss)/profit for the period	(940)	(567)	273	65.8
Other comprehensive (loss)/income, net of tax:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation	(1)	(3)	168	(66.7)
Other comprehensive (loss)/income for the period	(1)	(3)	168	(66.7)
Total comprehensive (loss)/profit for the period	(941)	(570)	441	65.1
Attributable to:				
Equity holders of the Company	(704)	157	132	N.M
Non-controlling interests	(237)	(727)	309	(67.4)
Total comprehensive (loss/)income for the period	(941)	(570)	441	65.1
(Loss)/earnings per share attributable to equity holders of the Company:				
Basic and diluted (cents per share)	(0.0041)	0.0009	(0.0002)	N.M

N.M. denotes not meaningful

*** Note: Basis for restatement of the comparative figures for (i) profit and loss, statement of changes in equity and cashflows for the previous corresponding 6 months financial period ended 30 June 2022 and (ii) the statements of financial position as at the end of the immediately preceding financial year ended 31 December 2022**

Further to the announcements of Polaris Ltd. (the "**Company**") dated 10 March 2023, 20 March 2023, 1 June 2023 and 11 August 2023, the Company has engaged a US law firm, Dillon Miller Ahuja & Boss, LLP (the "**US Legal Counsel**") to opine on the effective date on which Englory Media Holdings Pte. Ltd.'s ("**Englory**") investment in Marque Luxury America LLC ("**MLA**"), a former US subsidiary of the Company, was completed and therefore diluted the Company's effective indirect shareholding in MLA. In the legal opinion dated 30 August 2023 issued by the US Legal Counsel to the Company's wholly-owned subsidiary, Polaris Explorer Pte. Ltd. ("**PEPL**"), it was stated that the completion date of Englory's investment and the effective date of dilution of MLA was 28 February 2022, whereby, from the aforesaid date, PEPL's effective interest in MLA was reduced from 51% to 19.99%. Accordingly, with effect from 28 February 2022, MLA has ceased to be a subsidiary of the Company and is instead treated as an unquoted equity investment.

In view of the above, the Company has restated the Group's consolidated statement of profit and loss, statement of changes in equity, and consolidated statement of cashflow for the six months financial period ended 30 June 2022 and the statement of financial position as at 31 December 2022 by deconsolidating the financial results of MLA and its subsidiary, Marque Mentor LLC, from the financial results of the Group in the same financial period. The Group's restated consolidated financial statements for the financial year ended 31 December 2022 ("**FY2022**") will be separately announced by the Company on SGXNet in due course.

^ Based on the condensed interim consolidated financial statements for the six months financial period ended 30 June 2022 as previously announced on 12 August 2022 on SGXNet, which had been prepared on the basis that Marque Luxury America LLC was a subsidiary of the Group.

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

		Group			Company	
	Note	30 June 2023 S$'000	31 December 2022 (restated)* S$'000	31 December 2022 (audited) S$'000	30 June 2023 S$'000	31 December 2022 (audited) S$'000
ASSETS						
Non-Current Assets						
Property, plant and equipment	9	3,410	3,525	3,525	3,309	3,394
Investments in subsidiaries		-	-	-	856	856
Other investments	10	-	-	-	-	-
		3,410	3,525	3,525	4,165	4,250
Current Assets						
Trade and other receivables		2,222	1,477	1,477	5,806	5,327
Inventories		1,317	1,389	1,389	-	-
Prepayments		923	758	758	17	4
Cash and bank balances		4,674	6,261	6,261	1,748	2,959
		9,136	9,885	9,885	7,571	8,290
Assets of disposal group classified as held-for-sale**		-	-	19,311	-	-
		9,136	9,885	29,196	7,571	8,290
Total Assets		**12,546**	**13,410**	**32,721**	**11,736**	**12,540**
LIABILITIES AND EQUITY						
Current Liabilities						
Loans and borrowings	11	-	459	459	-	440
Trade and other payables		842	756	1022	44	20
Other liabilities		559	436	436	169	247
Provision for income tax		-	1	-	-	-
		1,401	1,652	1,917	213	707
Liabilities directly associated with disposal group classified as held-for-sale**		-	-	18,183	-	-
		1,401	1,652	20,100	213	707
Non-Current Liabilities						
Loans and borrowings	11	2,915	2,691	2,691	2,880	2,658
Total Liabilities		4,316	4,343	22,791	3,093	3,365
Equity Attributable to Equity Holders of the Company						
Share capital	12	402,747	402,747	402,747	402,747	402,747
Foreign currency translation reserve		188	189	(328)	-	-
Accumulated losses		(393,548)	(392,845)	(392,257)	(394,104)	(393,572)
		9,387	10,090	10,162	8,643	9,175
Non-controlling interests		(1,157)	(1,023)	(232)	-	-
Total Equity		8,230	9,067	9,930	8,643	9,175
Total Liabilities and Equity		**12,546**	**13,410**	**32,721**	**11,736**	**12,540**

* Please refer to the note regarding the basis for restatement on page 3.
** This refers to the “MLA sub-group”, comprising MLA and its subsidiary, Marque Mentor LLC, as defined in the Company’s audited financial statements for FY2022.

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	
	6 months ended 30 June 2023	6 months ended 30 June 2022 (restated)*
	S$'000	S$'000
Cash Flows from Operating Activities		
Loss before income tax	(939)	(536)
Adjustments for:		
Depreciation of property, plant and equipment	119	211
Finance costs	51	101
Gain on disposal of fixed assets	-	(3)
Loss on effective dilution of interest in a former subsidiary	-	85
Unrealised exchange gain	103	67
Operating cash flows before changes in working capital	(666)	(75)
Changes in working capital:		
Inventories	72	486
Trade and other receivables	(731)	(73)
Prepayments	(165)	(1)
Trade and other payables	86	208
Other liabilities	124	(112)
Cash flows (used in)/generated from operations	(1,280)	433
Finance cost	(51)	(101)
Income tax paid	(1)	(1)
Net cash flows (used in)/generated from operating activities	(1,332)	331
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(19)	(22)
Advance from subscription of equity interests in a former subsidiary company utilized for settlement of its amounts owing to the group	-	4,749
Investment in an associate	-	(10)
Net cash flows (used in)/generated from investing activities	(19)	4,717

* Please refer to the note regarding the basis for restatement on page 3.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
(continued)

	Group	
	6 months ended 30 June 2023	6 months ended 30 June 2022 (restated)*
	S$'000	S$'000
Cash Flows from Financing Activities		
Repayments of bank loans	(217)	(190)
Repayments of lease liabilities	(19)	(350)
Net cash flows used in financing activities	(236)	(540)
Net (decrease)/increase in cash and cash equivalents	(1,587)	4,508
Cash and cash equivalents at the beginning of the year	6,261	2,102
Cash and cash equivalents at the end of period	4,674	6,610

* Please refer to the note regarding the basis for restatement on page 3.

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

	Share capital S$'000	Foreign currency translation reserve S$'000	Accumulated losses S$'000	Total S$'000	Non-controlling interests S$'000	Total S$'000
Group						
Balance at 1 January 2023	402,747	189	(392,845)	10,090	(1,023)	9,067
Loss for the period	-	-	(703)	(703)	(237)	(940)
Other comprehensive loss	-	(1)	-	(1)	--	(1)
Total comprehensive loss for the period	-	(1)	(703)	(704)	(237)	(941)
Derecognition of non-controlling interest arising from disposal of interests in subsidiaries	-	-	-	-	103	103
Balance at 30 June 2023	402,747	188	(393,548)	9,387	(1,157)	8,230
Balance at 1 January 2022	402,747	(513)	(388,694)	13,540	2,206	15,746
(Loss)/profit for the period	-	-	160	160	(727)	(567)
Other comprehensive loss	-	(3)	-	(3)	-	(3)
Total comprehensive loss for the period	-	(3)	160	157	(727)	(570)
Reduction of non-controlling interest arising from capital reduction in a subsidiary	-	-	-	-	(2,017)	(2,017)
Balance at 30 June 2022 (restated)*	402,747	(516)	(388,534)	13,697	(538)	13,159

* Please refer to the note regarding the basis for restatement on page 3.

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 (the "**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 2023 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 2023 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 2022.

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 2023, 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, *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to SFRS(I) 1-1, *Presentation of Financial Statements: Non-current Liabilities with Covenants*	1 January 2024
Amendments to SFRS(I) 16, *Leases – Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Investments in Associates and Joint Ventures – Sale or contribution of assets between an investor and its associate or joint venture*	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 2022.

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-loved luxury goods segment engages in the business of importing and exporting pre-loved luxury goods and premium lifestyle products on a wholesale and/or retail basis, with extensive operations in Asia under the Mastro Luxe and ALLU brands (operations in Singapore, Indonesia, the Philippines, South Korea and South Africa).

ii. The consumer electronics segment engages in the corporate sale of telecommunication, IT and consumer electronics products in Singapore. This segment offers a wide range of electronic products and services from reputable brands such as Apple.

iii. The customer services segment provides after-market services to end customers for equipment repairs, refurbishments and technical services in Singapore.

iv. The corporate segment provides Group-level corporate services, treasury functions and investment in marketable securities. It is also involved in strategic investment and joint venture opportunities to synergise and complement the Group's existing offerings, such as the entry into the pre-loved luxury goods business.

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 the 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)**	
	30 June 2023	30 June 2022 (restated)*	30 June 2023	30 June 2022 (restated)*
	S$'000	S$'000	S$'000	S$'000
Pre-loved luxury goods sales	3,249	2,831	(362)	(233)
Consumer electronics sales	6,251	9,257	301	21
Customer services	326	1,722	(38)	428
Corporate	-	-	(610)	(650)
Others	75	-	(179)	-
	9,901	13,810	(888)	(434)
Share of results of associate			-	(1)
Finance costs			(51)	(101)
Loss before income tax			(939)	(536)

* Please refer to the note regarding the basis for restatement on page 3.

Segment 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

	Group	
	30 June 2023	30 June 2022 (restated)*
	S$'000	S$'000
Segment assets		
Distribution	-	501
Pre-loved luxury goods sales	2,228	5,358
Consumer electronics sales	3,487	3,545
Customer services	155	590
Corporate	5,497	8,051
Others	1,179	73
Total segment assets	12,546	18,118
Unallocated: Investment in an associate**	-	9
Consolidated total assets	12,546	18,127
Segment liabilities		
Distribution	-	43
Pre-loved luxury goods sales	690	361
Consumer electronics sales	120	627
Customer services	285	555
Corporate	214	277
Others	127	-
Total segment liabilities	1,436	1,863
Unallocated: Loans and borrowings (excluding lease liabilities)	2,880	3,105
Consolidated total liabilities	4,316	4,968

* Please refer to the note regarding the basis for restatement on page 3.

** The Company did not have any associated company following the impairment of MLA as at 31 December 2022.

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

	Group			
	Depreciation		Additions to non-current assets	
	30 June 2023	30 June 2022 (restated)*	30 June 2023	30 June 2022 (restated)*
	S$'000	S$'000	S$'000	S$'000
Pre-loved luxury goods sales	27	45	16	22
Consumer electronics sales	1	74	3	-
Customer services	1	4	-	-
Corporate	90	88	-	-
	119	211	19	22

(d) Geographical information

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

	Group			
	Revenue		Non-current assets	
	30 June 2023	30 June 2022 (restated)*	30 June 2023	30 June 2022 (restated)*
	S$'000	S$'000	S$'000	S$'000
Singapore	5,944	13,568	3,369	3,582
Indonesia	3,122	192	24	-
Philippines	731	-	15	1
South Korea	56	50	2	13
South Africa	48	-	-	-
Thailand	-	-	-	4
Vietnam	-	-	-	12
	9,901	13,810	3,410	3,612

Non-current assets presented above consist of property, plant and equipment, investment in an associate as at 30 June 2022, and other investments as presented in the condensed interim statements of financial position.

* Please refer to the note regarding the basis for restatement on page 3.

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	
	30 June 2023 S$'000	30 June 2022 (restated)* S$'000
Principal geographical market		
Pre-loved luxury goods sales		
- Singapore	183	2,589
- Philippines	731	-
- Indonesia	2,231	192
- South Korea	56	50
- South Africa	48	-
	3,249	2,831
Consumer electronics sales		
- Singapore	5,435	9,257
- Indonesia	816	-
	6,251	9,257
Customer services		
- Singapore	326	1,722
Others		
- Indonesia	75	-
Total	9,901	13,810

	Group	
	30 June 2023 S$'000	30 June 2022 (restated)* S$'000
Major product or service lines and timing of revenue recognition		
Pre-loved luxury goods sales	3,249	2,831
Consumer electronics sales	6,251	9,257
Customer services	326	1,722
Others	75	-
At a point of time	9,901	13,810

* Please refer to the note regarding the basis for restatement on page 3.

5 Financial assets and financial liabilities

	Group		Company	
	30 June 2023	31 December 2022 (restated)*	30 June 2023	31 December 2022 (audited)
	S$'000	S$'000	S$'000	S$'000
Financial assets				
Cash and bank balances and trade and other receivables	7,706	7,627	7,571	8,286
Financial liabilities				
Trade and other payables, loans and borrowings, lease liabilities and other liabilities (Amortised cost)	4,299	4,218	3,102	3,365

* Please refer to the note regarding the basis for restatement on page 3.

6 (Loss)/Profit before taxation

6.1 Significant items

	Group	
	6 months ended 30 June 2023	6 months ended 30 June 2022 (restated)*
	S$'000	S$'000
Other Income:		
Investment income	-	-**
Government grant	-	76
Miscellaneous income	212	226
Interest income	-**	-**
Other Items of Expenses:		
Interest on borrowings	31	41
Depreciation of property, plant and equipment and investment properties	119	211
Loss on effective dilution of interest in a former subsidiary	-	85
Foreign exchange loss / (gain)	119	(96)
Gain on disposal of fixed asset	-	(3)
Inventory written down	-	7

* Please refer to the note regarding the basis for restatement on page 3.
**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:

	Group	
	6 months ended 30 June 2023 S$'000	6 months ended 30 June 2022 S$'000
Income tax expense	1	31

8 Net Asset Value

	Group		Company	
	30 June 2023 S$	31 December 2022 (restated)* S$	30 June 2023 S$	31 December 2022 (audited) S$
Net asset value per ordinary share (in cents)	0.055	0.059	0.051	0.054

* Please refer to the note regarding the basis for restatement on page 3.

9 Property, plant and equipment

During the six months financial period ended 30 June 2023, the Group acquired assets amounting to S$19,000 (30 June 2022: S$22,000).

10 Other Investments

	Group		Company	
	30 June 2023 S$'000	31 December 2022 S$'000 (restated)*	30 June 2023 S$'000	31 December 2022 S$'000 (audited)
Unquoted equity investment	3,288	3,288	-	-
Less: allowance for impairment loss at end of period/year	(3,288)	(3,288)	-	-
Net	-	-	-	-

* Please refer to the note regarding the basis for restatement on page 3.

The unquoted equity investment represents the cost of the Group's 19.99% shareholding in Marque Luxury America LLC ("**MLA**"), a former subsidiary in which the Group's effective interest had been diluted from 51% to 19.99%.

For the restatement of the Group's consolidated balance sheet as at 31 December 2022, Management has assessed the recovery value of the Group's equity investment in MLA to be nil after taking into account various factors, including but not limited to MLA's significant losses for FY2022, the additional capital requirements needed to sustain its growth and expansion, and the sustainability of its business operations. Accordingly, allowance for impairment loss of S$3.28 million was made on 31 December 2022 to fully write down the equity investment.

11 Borrowings

	The Group		The Company	
	30 June 2023 S$'000	31 December 2022 S$'000	30 June 2023 S$'000	31 December 2022 S$'000
Amount repayable within one year or less, or on demand				
Secured	-	459	-	440
Unsecured	-	-	-	-
Amount repayable after one year				
Secured	2,915	2,691	2,880	2,658
Unsecured	-	-	-	-

* Please refer to the note regarding the basis for restatement on page 3.

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.

12 Share Capital

	The Group and the Company			
	30 June 2023		31 December 2022	
	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 2023 and 31 December 2022.

The Company's subsidiaries did not hold any shares in the Company as at 30 June 2023 and 31 December 2022.

13 Subsequent events (after 30 June 2023)

Save for the legal opinion obtained from the US Legal Counsel on 30 August 2023 which confirmed the effective dilution date of the Company's effective indirect shareholding in MLA (as previously mentioned on page 3 of this announcement), there are no known subsequent events (after 30 June 2023) 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 the Company's Share Capital:

There were no changes in the Company’s share capital during the six-month financial period ended 30 June 2023. There were no outstanding convertibles, treasury shares or subsidiary holdings as at 30 June 2023 and 30 June 2022.

	Number of issued shares ’000	**Issued and paid-up share capital** S$’000
Balance as at 30 June 2023 (excluding treasury shares and subsidiary holdings)	17,053,170	402,747
Balance as at 31 December 2022 (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 2023 ’000	**As at 31 December 2022** ’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.

The Company's latest audited financial statements for FY2022 were subject to a disclaimer of opinion.

In summary, the basis for the disclaimer of opinion was that the financial statements of Marque Luxury America LLC ("**MLA**") and its subsidiary, Marque Mentor LLC ("**MLA sub-group**") were included in the Group's consolidated financial statements based on unaudited management accounts for FY2022. As such, the Company's auditors were unable to carry out their audit procedures or alternative procedures on the financial statements of the MLA sub-group for the purpose of providing an opinion on the Group's consolidated financial statements for FY2022. Consequently, the Company's auditors were unable to determine what adjustments, if any, may be required to the Group's consolidated financial statements for FY2022.

(a) Updates on the efforts taken to resolve each outstanding audit issue.

As explained in the note regarding the basis for restatement on page 3, the Company has appointed a US law firm, Dillon Miller Ahuja & Boss, LLP (the "**US Legal Counsel**") to opine on the effective date on which Englory Media Holdings Pte. Ltd.'s ("**Englory's**") investment in MLA was completed and therefore diluted the Company's effective indirect shareholding in MLA. In the legal opinion dated 30 August 2023 issued by the US Legal Counsel to the Company's wholly-owned subsidiary, Polaris Explorer Pte. Ltd. ("**PEPL**"), it was stated that the completion date of Englory's investment and the effective date of dilution was 28 February 2022, whereby, from the aforesaid date, PEPL's effective interest in MLA was reduced from 51% to 19.99%. Accordingly, with effect from 28 February 2022, MLA has ceased to be a subsidiary of the Company.

In view of the above, the Company has restated the Group's consolidated financial statements for FY2022 by deconsolidating the MLA sub-group's financial results from the Group's consolidated financial results. PEPL's investment in MLA is now classified as an unquoted equity investment and has been fully impaired. The Group's restated consolidated financial statements for FY2022 will be separately announced by the Company on SGXNet in due course.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

The Board confirms that with: (a) the deconsolidation of the MLA sub-group from the consolidated balance sheet as at 31 December 2022 (on a restated basis) and from the consolidated balance sheet as at 30 June 2023, and the deconsolidation of the MLA sub-group from the consolidated statement of profit or loss and other comprehensive income for the 6 months ended 30 June 2022 (on a restated basis) and the 6 months ended 30 June 2023; and (b) the disclosures contained in this announcement, the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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 2022.

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 2023. 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 in issue; and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Six Months Ended	
	30 June 2023 S$'000	30 June 2022 S$'000 (restated)*
(Loss)/profit for the period attributable to owners of the Company used in the computation of basic earnings per share	(703)	160
	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
(Loss)/profit per share attributable to owners of the Company (cents per share)		
Basic	(0.0041)	0.0009
Diluted	(0.0041)	0.0009

* Please refer to the note regarding the basis for restatement on page 3.

The basic (loss)/profit per share is calculated by dividing the (loss)/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)/profit per share is calculated on the same basis as basic (loss)/profit 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 2023 and 30 June 2022.

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 June 2023	31 Dec 2022 (restated)*	30 June 2023	31 Dec 2022 (audited)
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 (S$ cents per share)	0.055	0.059	0.051	0.054

* Please refer to the note regarding the basis for restatement on page 3.

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 2023 ("**1HFY2023**"), the Group recorded a turnover of S$9.9 million, registering a decrease of 28.3% over the turnover for the corresponding six months financial period ended 30 June 2022 ("**1HFY2022**") of S$13.8 million. This decrease was largely attributable to the decrease of S$3.0 million in sales of consumer electronics in Singapore which was mainly due to subdued market demand for consumer electronics in Singapore and the closure of the Group's Apple premium reseller store in Singapore. Sales of the pre-loved luxury goods, on the other hand, registered an increase of $0.4 million. The segment was supported by (a) growth in the Philippine and Indonesia markets, where there was an increase in the number of stores to tap and capitalise on the increased demand for pre-loved luxury goods; and (b) the Group's fruitful outreach and marketing efforts in Indonesia. In addition, there was an increase in export sales to overseas markets.

The Group's cost of sales decreased by S$3.3 million or 27.7% from S$12.0 million in 1HFY2022 to S$8.7 million in 1HFY2023, such decrease being in tandem with the decrease in the Group's turnover from 1HFY2022 to 1HFY2023 as described above.

Due to the lower turnover of the Group in 1HFY2023 as described above, the Group's gross profit decreased by 32.5% from S$1.8 million in 1HFY2022 to S$1.2 million in 1HFY2023, with a slight dip in the gross profit margin of 12.20% in 1HFY2023 as compared to 12.95% in 1HFY2022.

The increase in marketing and distribution expenses by 41.9% from S$0.1 million in 1HFY2022 to S$0.2 million in 1HFY2023 was mainly due to higher travelling expenses incurred in respect of the expanded pre-loved luxury goods business. The decrease in administrative expenses by S$0.3 million or 13.9% from S$2.2 million in 1HFY2022 to S$1.9 million in 1HFY2023 was mainly due to the lower legal and profession fees of S$0.13 million in 1HFY2023 as compared to S$0.25 million in 1HFY2022, and the lower lease expense of S$0.15 million in 1HFY2023 as compared to S$0.21 million in 1HFY2022 was mainly due to the closure of the Group's Apple premium reseller store in Singapore.

The Group's finance costs decreased by 49.5% from S$0.1 million in 1HFY2022 to S$0.05 million in 1HFY2023 mainly due to the lower level of borrowings during 1HFY2023 as compared to 1HFY2022.
Other expenses increased by 17.6% from S$204,000 in 1HFY2022 to S$240,000 in 1HFY2023.

The increase was mainly due to the foreign exchange gain of S$96,000 in 1HFY2022 as compared to the foreign exchange loss of S$119,000 in 1HFY2023.

Other income decreased by 29.8% from S$302,000 in 1HFY2022 to S$212,000 in 1HFY2023. The decrease was mainly due to the S$76,000 government grant received in 1HFY2022 while there was no such grant received in 1HFY2023.

The Group's net loss widened from S$0.6 million in 1HFY2022 to S$0.9 million in 1HFY2023. This was mainly due to higher losses in the pre-loved luxury goods segment and a loss in the customer services segment.

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

The Group's total assets decreased by S$0.9 million from S$13.4 million as at 31 December 2022 to S$12.5 million as at 30 June 2023.

Property, plant and equipment comprised of property, plant and equipment and right of use ("**ROU**") assets. Property, plant and equipment decreased to S$3.4 million as at 30 June 2023, as compared to S$3.5 million as at 31 December 2022, mainly due to depreciation charges in 1HFY2023.

Trade and other receivables increased to S$2.2 million as at 30 June 2023, as compared to S$1.5 million as at 31 December 2022, mainly due to a slower collection in trade receivables amid a tougher operating environment.

Inventories were relatively flat at S$1.3 million and S$1.4 million as at 30 June 2023 and 31 December 2022 respectively.

Trade and other payables were relatively flat at S$0.8 million as at both 30 June 2023 and 31 December 2022.

Loans and borrowings comprised bank loans on properties, lease liabilities and one temporary bridge loan ("**TBL**"). Loans and borrowings decreased to S$2.9 million as at 30 June 2023, as compared to S$3.2 million as at 31 December 2022, mainly due to repayment of loans.

The Group reported net cash flows used in operating activities of S$1.3 million in 1HFY2023 as compared to net cash flows from operating activities of S$0.3 million in 1HFY2022. This was mainly due to the higher loss and the increase in trade and other receivables and prepayment in 1HFY2023 as compared to 1HFY2022.

The Group reported net cash flows used in investing activities of S$19,000 in 1HFY2023 as compared to net cash flows generated from investing activities of S$4.7 million in 1HFY2022, as there was a S$4.7 million settlement of amounts owing to the Group by a former subsidiary in 1HFY2022.

The Group made repayments of loans and lease liabilities of S$0.2 million and S$0.5 million in 1HFY2023 and 1HFY2022 respectively, resulting in net cash flows used in financing activities of S$0.2 million in 1HFY2023 and S$0.5 million in 1HFY2022 respectively.

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 of now, the Group does not foresee or expect any substantial shifts in trends or alterations in the competitive landscape of the consumer electronics and customer services spaces within the forthcoming reporting period and the subsequent 12 months that might have a significant impact on the Group.

In the pre-loved luxury goods segment, it is expected that the trend of online live selling will grow in importance. The Group will strive to capitalize on this trend by promoting the growth of consumer-to-business (C2B) buying through store expansions in Indonesia, the Philippines, and Korea, all while efficiently managing its costs and expenses.

As part of strategic business planning, the Group is looking into diversifying into new business segment(s) to broaden its income streams. Furthermore, the Group is supporting the majority shareholder in MLA, Englory, to address and resolve the issues surrounding MLA. In this regard, the Company will make the necessary announcements and disclosures if there are any material developments in relation to the foregoing.

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 or any offerings pursuant to Chapter 8 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 its 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: 17 November 2023

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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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