polaris

2021

ANNUAL REPORT

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LETTER TO **SHAREHOLDERS**

DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors (the "**Board**"), I am pleased to present to you the annual report for Polaris Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") for the financial year ended 31 December 2021 ("**FY2021**").

DEVELOPMENTS IN FY2021

Singapore's economy bounced back in 2021 and expanded by 7.6% as compared to a contraction of 4.1% in 2020[1] . The Group managed to deliver strong growth from our business in the pre-owned luxury goods re-commerce sector, especially in the US, while most of our local businesses still experienced some contraction year on year.

In 2019, we ventured into the pre-owned luxury goods business through our joint venture company Mastro Luxe Pte. Ltd. (formerly known as Marque Luxury Pte. Ltd.) ("**MLS**"), to diversify our revenue streams and position the Group for new growth opportunities related to the circular economy. The COVID-19 pandemic made the move timely. The pre-owned luxury goods sector remained resilient, with steady demand growth through 2020 and 2021. Following the expansion of the Group's pre-owned business into the United States of America in the first half of 2021, the performance and potential of that business exceeded the Group's expectations and grew beyond the Group's capacity to sustain its trajectory of growth and expansion. As a result, the Group pursued a capital injection and dilution in our US business in the second half of 2021. The capital injection was completed in February 2022 and the company will update shareholders when the dilution is completed. The funds will allow the business to expand its existing scale and capacity in the United States of America.

In Asia we grew our pre-owned luxury goods business through MLS and its operations in Korea, Thailand, the Philippines, Singapore and Indonesia.

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

Our consumer electronics segment faced some headwinds, with margins challenged as a result of distributorship restructuring by the manufacturer. Corporate sales, though affected by supply constraints, continued its steady progress in government tenders and securing new key accounts. Our educational robotics business posted strong growth year on year as STEM (i.e. Science, Technology, Engineering and Mathematics) education continues to expand in Singapore.

FINANCIAL REVIEW

For the financial year ended 31 December 2021 ("**FY2021**"), the Group recorded a revenue of S$53.44 million, representing an increase of 63% over the revenue of the previous financial year ended 31 December 2020 ("**FY2020**") of S$32.79 million.

This increase was mainly due to increased turnover from pre-owned luxury goods sales. The pre-owned luxury goods segment saw an increase in turnover by 510% from S$5.43 million in FY2020 to S$33.12 million in FY2021. The turnover from the customer service segment decreased by 21% from S$3.15 million in FY2020 to S$2.49 million in FY2021. This was primarily due to the decrease in recharge expenses claimable from a business partner, as a result of a reduction in the number of support headcount from the said business partner during FY2021. The turnover from consumer electronics sales decreased by 11% from S$18.75 million in FY2020 to S$16.62 million in FY2021 as a result of a drop in customers' demand and the negative economic effects of the COVID-19 pandemic. The turnover from the distribution sales of mobile handsets and accessories decreased by 78% from S$5.46 million in FY2020 to S$1.21 million in FY2021, due to the segment being dormant in 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 posted a net loss from continuing operations of S$0.43 million for FY2021 as compared to a net loss of S$0.33 million in FY2020. Our pre-owned luxury goods and customer services segments improved profitability, while the distribution and consumer electronics segments saw increasing losses alongside lower government grants.

1 https://www.singstat.gov.sg/-/media/files/news/gdp4q2021.ashx

LETTER TO **SHAREHOLDERS**

The Group posted a net loss from continuing operations of S$0.43 million for FY2021 as compared to a net loss of S$0.33 million in FY2020. Our pre-owned luxury goods and customer services segments improved profitability, while the distribution and consumer electronics segments saw increasing losses alongside lower government grants.

The Group drew down an Enterprise Singapore temporary bridging loan amounting to S$1 million and repaid two mortgage loans amounting to S$965,043 in FY2021, following the sale of two office units. The Group also repriced the outstanding mortgage loans to take advantage of preferential interest rates.

CORPORATE SOCIAL RESPONSIBILITY

The stringent social distancing measures imposed by the Singapore government to curb the spread of COVID-19 have curtailed our annual community engagement activities. As these restrictions ease with the progressive resumption of social events, we look forward to resuming our volunteering efforts.

We are committed to being a responsible corporate citizen. We reviewed the environmental, social and governance topics material to the Group to ensure that the actions taken by our businesses align with the Group's sustainability goals, while also being able to positively impact both the planet and our communities.

As we look ahead, we will continue to strengthen our commitment to our sustainability goals, as well as incorporate the Task Force on Climate-related Financial Disclosures (TCFD) principles within our business and in our reporting. We seek the support of our employees, shareholders, and business partners as we look towards a more sustainable future.

LOOKING AHEAD

The Group will continue on its communicated path to develop and pursue businesses that are sustainability related and part of the circular economy. Today, our pre-owned luxury goods re-commerce business and our customer services repair and refurbishment business make up the core of these efforts.

The pre-owned luxury goods space, in which the Company's pre-owned luxury goods re-commerce business operates, is expected to see continued growth in the coming 12 months.

Driven by operational excellence and continued demand growth, the customer services business is expected to remain stable in the next 12 months. We continue to look for ways to expand the portfolio of services we provide.

For the consumer electronics segment, the Group will continue to build on our strengths in corporate sales and government tenders. Additionally, we have expanded our reach on tender platforms that cover the market for small and medium enterprises, such as Tenderboard, where our success rate was 28% as of the date of writing. Having restructured the consumer electronics business in the first half of the financial year ending 31 December 2022 ("**FY2022**"), we are working towards improved performance year on year. We continue to benefit from the strength of our brand partners and their product portfolios.

While educational robotics still makes up a small part of our consumer electronics business, it is showing the strongest growth rate. STEM education is receiving ever more attention and support from government agencies and educational institutions, making us confident this growth trend will continue for years to come.

Nevertheless, the world economy and geopolitical climate are off to a rocky start in FY2022 and as such it is reasonable to expect uncertainty and a challenging business climate this year. In response to these uncertainties and as part of our ongoing efforts to strengthen the efficiency of the Group, we disposed of our interest in an associated company in the Philippines, Polaristitans Philippines Inc. in FY2021, and recently initiated members' voluntary liquidation of an inactive subsidiary in Singapore, Polaris Device Pte. Ltd.. The aim was to exit these unprofitable businesses and focus on enhancing our cash position. Our intention is to continue to find the appropriate balance between our stable growth businesses and selected higher growth opportunities to enhance shareholder value.

WORDS OF APPRECIATION

On behalf of the Board, we would like to welcome Ms. Serena Wong who joined us as Independent Non-Executive Director.

Ms. Serena Wong brought a wealth of finance experience to the Board, having held senior positions in banking and family offices, and we are confident that she will be able to contribute positively to the Company's growth. Following her appointment to the Board, Ms. Wong has also been appointed as the Chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee and the Nominating Committee.

Finally, we would like to thank our fellow directors for their contributions and counsel. We are also grateful to management and employees for their dedication and efforts during the year. We extend our warmest appreciation to our shareholders, business partners and customers for their support and confidence in us. Together, we look forward to building a sustainable future for the Group.

Sugiono Wiyono Sugialam
Executive Director and Chairman

Soennerstedt Carl Johan Pontus
Executive Director and Chief Executive Officer

BOARD OF **DIRECTORS**

Mr Sugiono Wiyono Sugialam

Executive Director & Executive Chairman

Date Of Appointment As Director: 25 February 2021
Date Of Last Re-Election: 18 June 2021
Board Committees Served On:
Member Of Nominating Committee Since 25 February 2021

Mr Sugiono joined the Board of Directors as an Executive Director and Chairman of the Board on 25 February 2021. Previously, Mr Sugiono had served as a Non-Executive Director in the Company from 2011 to 2016.

Mr Sugiono has vast experience in technology, telecommunications, lifestyle goods, retail and distribution. Since the start of his career in 1985, Mr Sugiono has led multiple IPO and corporate actions within the industries where he is actively doing business.

Mr Sugiono is actively involved in several major investment funds in Southeast Asia, especially in digital/tech start-ups and platforms, while also continuing to pursue his passions for active lifestyle and sustainability businesses.

Mr Sugiono holds a Bachelor's Degree in Economics from the University of Surabaya, Indonesia.

Mr Soennerstedt Carl Johan Pontus

Executive Director & Chief Executive Officer

Date Of Appointment As Director: 5 May 2016
Date Of Last Re-Election: 18 June 2021
Board Committees Served On:
Member of Nominating Committee since 5 February 2018

With effect from 1 March 2018, Mr Soennerstedt was re-designated as Executive Director and appointed as CEO, after having served two years as an Independent Non-Executive Director and Non-Executive Chairman of the Company.

Between 2014 to 2017, Mr Soennerstedt set up and ran PT Bayon Management, a company engaged in internet consulting and investments in Indonesia. Consulting engagements included online media, law, music and payments, as well as discovery and evaluation of investment targets.

Leading up to Bayon, Mr Soennerstedt was CEO at PT Skybee Tbk, an Indonesian holding company with technology, telecommunications and media subsidiaries. He held liaison positions engaging with SoftBank and SoftBank Ventures Korea, supporting their investment efforts in Indonesia, and was on the investment committee of Indonesian incubator and venture capital firm Ideosource.

Between 2007 and 2012, Mr Soennerstedt identified Indonesia as a key growth opportunity for Yahoo!, coordinated the company's entry into the market and then ran PT Yahoo Indonesia as Country Manager. Under Mr Soennerstedt's leadership, Yahoo! attracted great talent and became one of the most trafficked and monetized Internet destinations in Indonesia. Today, the alumni can be found across the market as successful entrepreneurs and in leading roles in local and international companies.

Prior to Yahoo!, Mr Soennerstedt spent eight years in the mobile phone industry in Asia. From 1999 to 2001 he managed Ericsson's mobile phone business in Vietnam as Director of Consumer Products. He then moved to Singapore with Sony Ericsson, first in a regional sales role covering Indonesia and then as head of business development for APAC EM. In this role, Mr Soennerstedt established as well as managed the company's business and operations in several markets, including Pakistan, Bangladesh, Sri Lanka, Cambodia and Vietnam. Under his management, the operations in these emerging markets transformed from being a marginal business to one turning over several hundred million dollars per year. Mr Soennerstedt was recognized for his contributions to the company's overall performance and growth by twice winning the company's global best market unit performance award.

Mr Soennerstedt previously served as a mine clearance diver in the Royal Swedish Navy. He holds a degree in International Economics from the American University of Paris.

BOARD OF **DIRECTORS**

Ms Diana Airin

Independent Non-Executive Director

Date Of Appointment As Director: 8 April 2020
Date Of Last Re-Election: 28 May 2020
Board Committees Served On:
Chairman of Remuneration Committee since 16 July 2021
Member of Audit and Risk Management Committee since 8 April 2020
Member of Nominating Committee since 8 April 2020

Ms Airin joined the Board of Directors on 8 April 2020. She brings with her 25 years of business experiences in auto financing, banking, offline and online media, with a focus on sales and marketing. She has held several c-suite positions, including an Indonesia-listed company directorship.

In 2019, Ms Airin became an entrepreneur for the second time in her career and started PT Konsultan Strategi Penjualan (Wisdom Crowd) and Sambalauko, a business in her personal name. She is the founder of both. The former does digital activations for millennials and is also an event organiser. The latter is in the food and beverage space, producing and distributing pre-cooked condiments.

She is a 20-year veteran of the media industry. Most recently, she was Managing director PT Benten Media Global Televisi (MYTV) and set up the channel from scratch, which eventually grew to a team of 125 people. The channel was the first of its kind in Indonesia, focusing on empowering women through lifestyle content. She established the sales, marketing, human resources, and programming teams.

In 2017 and 2018, she was chief commercial officer for PT Kapanlagi Network, an Indonesian online media player with a large portfolio of websites targeting millennials.

Between 2009 and 2017, Ms Airin held senior roles across the PT Media Nusantara Citra Tbk (MNC) Group, covering print, radio, online and TV. She started out as a sales and marketing director. Other positions included being CEO of Sindo Media, Deputy CEO of PT MNC Okezone Network (OkeZone.com) and PT MNC Televisi Network (iNews TV), with the most recent role being Director at PT Media Nusantara Citra Tbk, the listed holding company.

Prior to this, she ran Prima Ad, a company she owned, for four years. They published a priority customer magazine for a bank and monetized it via ad-sales. Prima Ad was the first agency in the market to run a bank customer magazine on an outsourced basis. Between 2001 and 2006, Ms Airin was General Manager for sales & marketing at PT. Citra Media Nusa Purnama (Media Indonesia) and PT. Media Televisi Indonesia (Metro TV). She started out her media career at Kompas Gramedia newspaper in 2000 as Vice General Manager, sales and marketing.

Her early ambition was to make a career in the banking industry and started out at PT Federal International Finance, part of Astra International, in 1995 and then moved on to PT Bank HSBC Indonesia where she worked for two and a half years.

Ms Airin holds a Bachelor's Degree in Economics from Tarumanagara University in Indonesia.

Mr Masahiko Yabuki

Independent Non-Executive Director

Date Of Appointment As Director: 5 February 2018
Date Of Last Re-Election: 28 May 2020
Board Committees Served On:
Chairman of Nominating Committee since 16 July 2021
Member of Remuneration Committee since 5 February 2018
Member of Audit and Risk Management Committee since 16 July 2021

Mr Yabuki joined the Board of Directors on 5 February 2018, bringing with him 35 years of business development experience and contacts in the APAC telecommunications and technology spaces.

Since 2015, he has been CEO of MYNZ Co., Ltd., a company which focuses on consulting, business development and investments in Japan and Southeast Asia. Between 2015 and 2017 he was also CEO & President of CloudMinds Japan K.K., a company involved in the business of connecting a broad ecosystem of robots and smart devices to Cloud artificial intelligence. He became CEO of NUWA Robotics Japan K.K. since February 2021 to deploy communication robot in the Japanese market.

Prior to his current position, Mr Yabuki worked for SoftBank from 2004 to 2015. His roles in SoftBank included Senior Vice President of Strategic Business Development in the CEO office for Southeast Asian markets and member of the Vodafone Japan acquisition team. He was also part of the management team of SoftBank Mobile, whereby he led new business development such as collaborations with Disney Mobile and other foreign partners. Concurrently, he was also President of Mobile Planning Corp., a subsidiary of SoftBank which focused on mobile TV planning.

Earlier in his career Mr Yabuki served as Director and Country Manager of UTStarcom Japan K.K. between 2001 and 2004. He was the first employee of UTStarcom in Japan and was given the mission to establish the company and business in the market. During his tenure, one of Mr Yabuki's key achievements was to secure business with SoftBank, through Asymmetric Digital Subscriber Line (ADSL) core equipment sales for the Yahoo! BB broadband service, digital access equipment, fiber transmission equipment and Gigabit Passive Optical Networks (G-PON) for Fiber To The Home (FTTH) project.

Mr Yabuki began his career in Kanematsu Corporation, where he worked between 1982 and 2001. He was responsible for the business development of electric power and telecommunications projects in Asia. Towards the end of his career in Kanematsu Corporation, he was promoted to General Manager.

Mr Yabuki holds a degree in Economics from the Kobe University of Commerce, Japan.

BOARD OF **DIRECTORS**

Ms Wong Leng Yee Serena

Independent Non-Executive Director

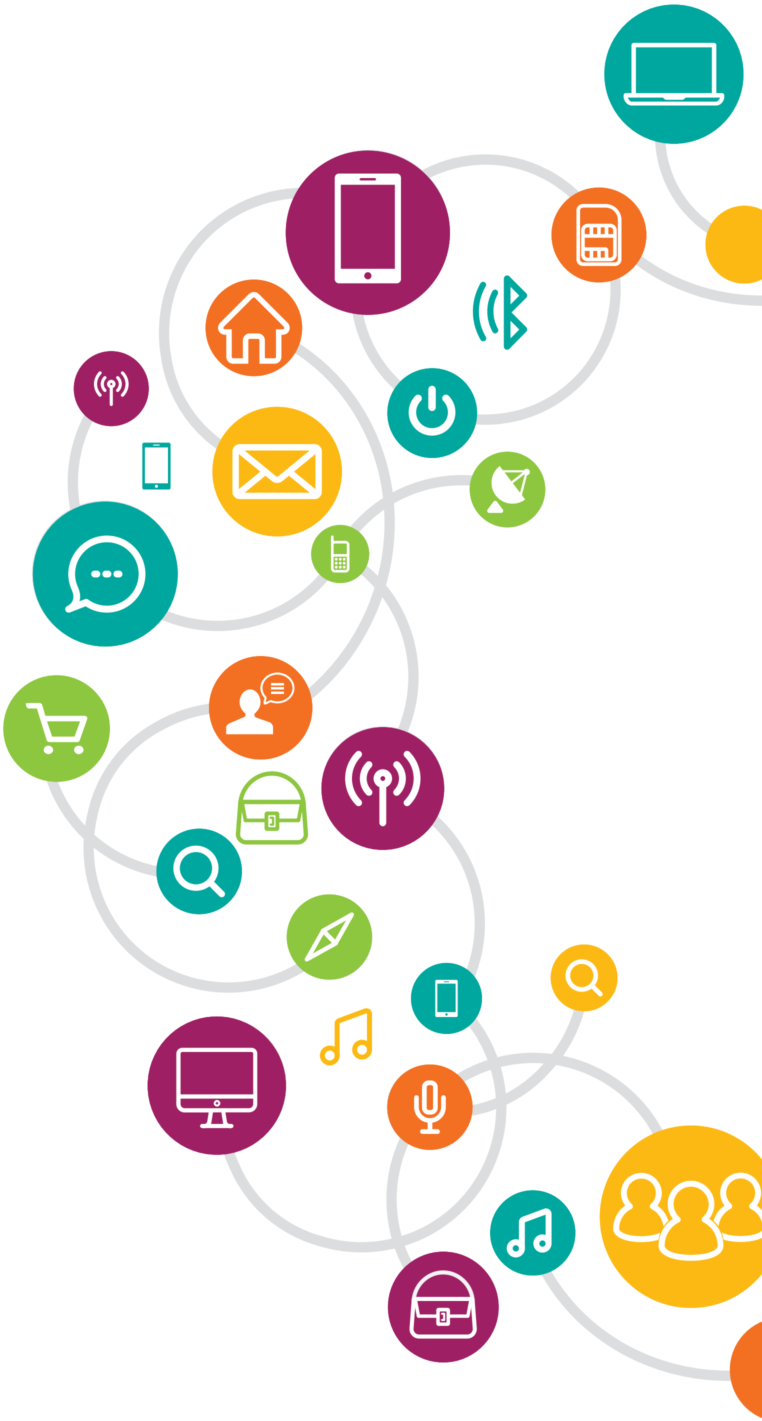
Date Of Appointment As Director: 16 July 2021
Date Of Last Re-Election: NA
Board Committees Served On:
Chairman of Audit and Risk Management Committee since 16 July 2021
Member of Remuneration Committee since 16 July 2021
Member of Nominating Committee since 16 July 2021

Serena Wong joined the Board of Directors on 16 July 2021 as Chairman of the Audit and Risk Committee, bringing 22 years of financial services experience to the Board and Company. She is currently Head of Advisory at Kamet Capital Partners Pte Ltd, a multi-family office to new economy founders, where she advises client families across family office needs including public and private market investments, wealth planning, administrative services and philanthropy, transforming the experience of how families manage their wealth. Serena has a unique set of experience across sovereign wealth fund, investment banking, and wealth management.

Prior to joining Kamet Capital Partners, Serena was an Executive Director at J.P.Morgan, Singapore and she led its private banking business for the Indonesia market. For over ten years, she worked with key families and family offices in Southeast Asia to plan and invest their assets.

Serena won the JPMorgan Business Partnership Award for cross business development for her contributions in providing solutions to families that span the bank's many business lines. She was a founding committee member of JPMorgan's Women Interactive Network in Asia. Serena is adept at working across different regions and cultures - at Societe Generale Corporate & Investment Bank, she spent five years across Paris and London with the Metals & Mining team and gained experience in restructuring and financing solutions. Serena started her career as an Analyst at Government of Singapore Investment Corporation (now known as GIC Private Limited), Singapore's sovereign wealth fund.

Serena holds a Master of Business Administration (MBA) degree from Tuck School of Business, Dartmouth College and a Bachelor of Social Science with Honours – Psychology degree from National University of Singapore. As a member of the Asia Pacific Council of Tuck School of Business Serena advises and assists in building and strengthening its initiatives in the region.



CORPORATE **PROFILE**

Polaris Ltd. ("**Polaris**" or the "**Company**") is a Singapore-based investment holding company and is listed on the Catalist Board of the SGX-ST. Polaris is active in pre-owned luxury goods re-commerce in Asia and North America and has customer service operations and consumer electronics corporate sales in Singapore.

The Group is organised into business units based on its products and services.

The pre-owned luxury goods segment engages in the business of importing and exporting pre-owned luxury goods and premium lifestyle products on a wholesale and/or retail basis, with extensive operations in Asia and the United States of America, under the Mastro Luxe and Marque Luxury brands.

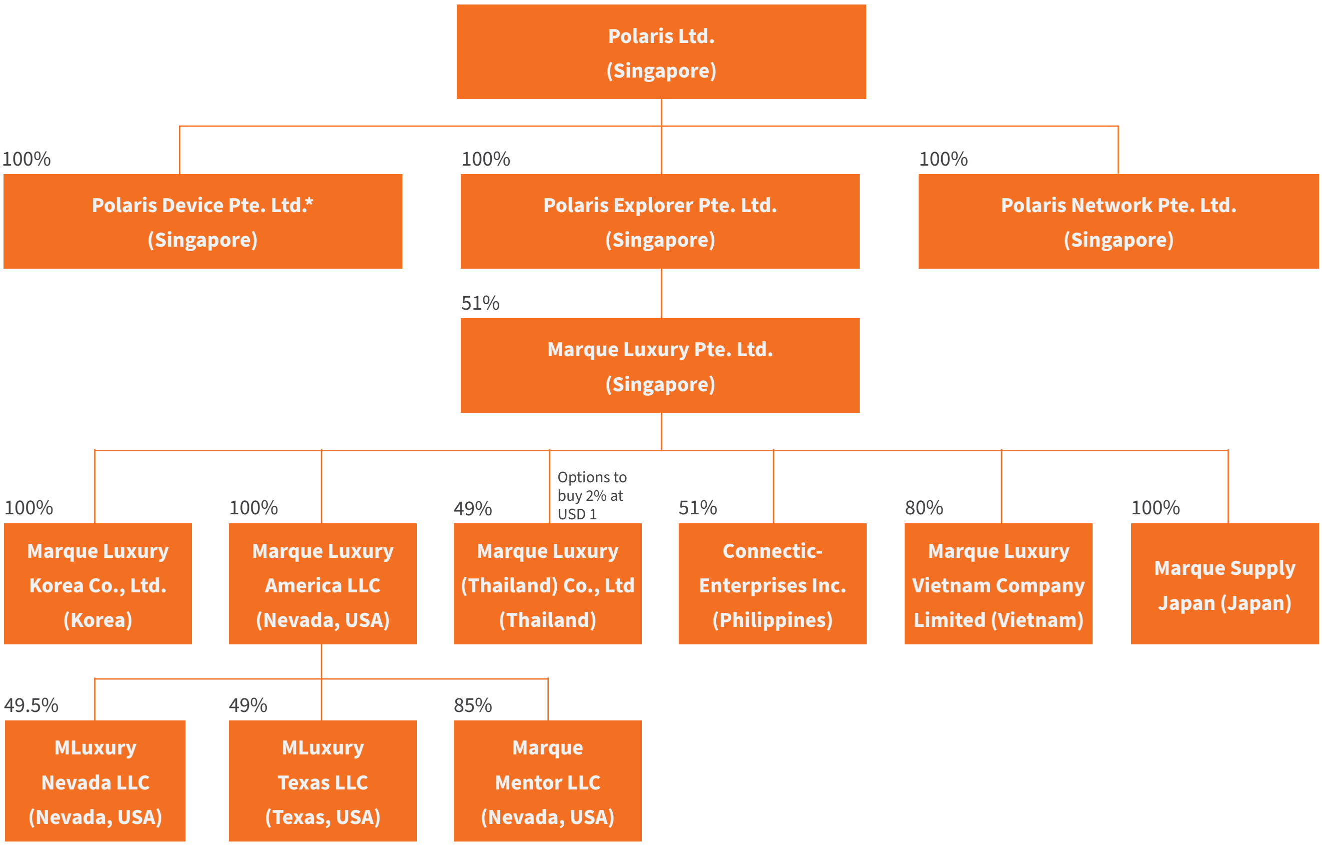
The customer services segment provides after-market services to end consumers for equipment repairs, refurbishments and technical services in Singapore.

The consumer electronics segment engages in the corporate sale of telecommunication, IT, educational robotics and consumer electronics products in Singapore. This segment offers a wide range of electronic products and services from reputable brands such as Apple and Makeblock. At the end of March 2022, Polaris ceased operating its Apple Premium Reseller retail store.

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-owned luxury goods business.

The distribution segment distributes mobile handsets and accessories for leading brands. This segment is currently dormant following the disposal of the Company's entire shareholding interest in Polaristitans Philippines Inc. as announced by the Company on 4 June 2021.

Polaris is embarking on a path and mission to develop and pursue businesses that are sustainability related and part of the circular economy. Our pre-owned luxury goods re-commerce business and our customer services repair and refurbishment business are aligned with this mission.



Corporate Structure as at 31 December 2021.
For further information, please refer to the Notes to the Financial Statements.
**Polaris Device Pte. Ltd. is in the process of member's voluntary liquidation.*

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Mr Sugiono Wiyono Sugialam
Executive Director & Chairman

Mr Soennerstedt Carl Johan Pontus
Executive Director & CEO

Ms Wong Leng Yee Serena
Independent Non-Executive Director

Mr Masahiko Yabuki
Independent Non-Executive Director

Ms Diana Airin
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Ms Wong Leng Yee Serena *(Chairman)*

Ms Diana Airin

Mr Masahiko Yabuki

REMUNERATION COMMITTEE

Ms Diana Airin *(Chairman)*

Mr Masahiko Yabuki

Ms Wong Leng Yee Serena

NOMINATING COMMITTEE

Mr Masahiko Yabuki *(Chairman)*

Mr Sugiono Wiyono Sugialam

Mr Soennerstedt Carl Johan Pontus

Ms Diana Airin

Ms Wong Leng Yee Serena

COMPANY SECRETARY

Ms Yang Lin

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SHARE REGISTRAR

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112 Robinson Road
#05-01
Singapore 068902

INDEPENDENT AUDITOR

Moore Stephens LLP
10 Anson Road
#29-15 International Plaza
Singapore 079903
Partner-in-charge: Mr Neo Keng Jin
(Appointed since financial year ended 31 December 2020)

SUSTAINABILITY **REPORT**

INTRODUCTION (GRI 102-54)

Polaris is pleased to present its fifth annual Sustainability Report. The report captures Polaris' sustainability efforts, performance and strategies over the financial year ended 31 December 2021 ("**FY2021**"). This report includes the environmental, social and governance ("**ESG**") performance for our business operations in Singapore and excludes overseas operations unless stated otherwise.

This report has been prepared in accordance with the guidelines and standards issued by the Global Sustainability Standards Board ("**GSSB**"), as set out in their Global Reporting Initiative ("**GRI**") Sustainability Reporting Guidelines: Core Options, as well as on a "comply or explain" basis pursuant to Rule 711A, Rule 711B and Practice Note 7F of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). We have chosen GRI as our sustainability reporting framework as it is internationally recognized and widely adopted, enabling us to disclose our ESG performance in a comprehensive and comparable manner. The GRI Content Index and the relevant references are provided on pages 21 to 24 of the report. Information presented in this report has been extracted from primary internal records and documents to ensure accuracy. The Board of Directors of the Company (the "**Board**" or "**Directors**") oversees the management and monitoring of the Group's strategic direction, policies and material ESG factors.

Due to the nature of the Group's business, certain important materiality issues covered by GRI may not be entirely relevant to the Company, including climate-related disclosures consistent with the recommendations of the Task Force on Climate-related Financial Disclosures.

REPORTING PRINCIPLES

We have followed the GRI principles for defining the sustainability report content and quality. We have prepared the report having considered stakeholder inclusiveness, Polaris sustainability context, materiality and completeness. To ensure quality of the report, we have applied the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness in preparing this report.

We believe that the adoption of the GRI Standards will make our sustainability reporting more systematic and comprehensive and affirms our commitment to sustainability issues.

REPORTING PROCESS (GRI 102-16, 102-18)

Polaris' Sustainability Committee (the "**PSC**"), which comprises key members of management and the Executive Directors, provides the overall major direction for preparing the report. The PSC's responsibilities include reviewing, assessing and determining the sustainability context, material ESG topics, report content and topic boundaries, as well as the scope and prioritisation of issues (against the risks and opportunities we face) to be included in the report. The PSC takes into consideration formal and informal feedback received throughout the year from a range of internal and external stakeholders to determine the most relevant material topics to be covered in the report.

REPORTING CYCLE (GRI 102-52)

Our reporting cycle begins with a review of the Company's ESG factors and material topics and their context in light of business environment changes and stakeholder feedback.

FEEDBACK (GRI 102-53)

We welcome feedback from all stakeholders. Please send questions, comments, suggestions or feedback relating to this report or our sustainability performance to **ir@wearepolaris.com.**

INTERNAL ASSURANCE (GRI 102-55)

External assurance for this sustainability report has not been sought at this juncture, as the Group is strengthening the foundations of its sustainability reporting framework. We have relied on internal data monitoring and verification to ensure accuracy.

PERFORMANCE HIGHLIGHTS (GRI 302-3, 305-4)

The table below represents a selection of metrics that we track within the organization. These metrics have been selected because they reflect the direct impact of our operations on people and the environment. We review our metrics regularly to ensure that we capture the information needed to improve our performance. Going forward, we aim to broaden our performance metrics where necessary and possible.

Strategic Area	FY2020	FY2021
ENVIRONMENTAL		
Total CO2e emissions (tonnes)	51.00	50.33
Carbon emission intensity per onsite repair job (Tonnes CO2e)	0.0032	0.0030
Total Energy used (gigajoules)	366	377
Energy Intensity per square metre (gigajoules)	0.253	0.428
Water Consumption (cubic metres)	159.40	148.20
PEOPLE		
Permanent Employees	96%	94%
Local Employees (Singapore Citizen + Permanent Residents)	89%	42%
Female Employees	38%	48%
Male Employees	62%	52%
SUPPLIERS		
Share of local suppliers as % of total supplier payments	99.3%	82.8%
Proportion of local suppliers	95.1%	93.3%

PRIVACY AND DATA SECURITY

Ensuring the security and confidentiality of our database and customer information is of utmost importance to us. At Polaris, we are committed to protecting the personal information of our customers. We have implemented a strict Personal Data Protection Policy and will take any necessary measures to protect our customers' personal data. Customer's privacy is important to us and we are bound by the Personal Data Protection Act 2012 of Singapore ("**PDPA**"). We regularly review our customer privacy and data protection processes to ensure compliance with the PDPA. In FY2021, there was no substantiated complaint concerning breaches of customer privacy, theft, leak and/or loss of customer data.

In addition, as Polaris operates Dyson customer service centres, we strictly follow and adhere to Dyson's personal data protection policies and procedures at our service centres.

Our detailed Personal Data Protection Policy is available on the WeArePolaris website at the URL: www.wearepolaris.sg and the Polarisepp website at the URL: www.epp.wearepolaris.sg.

STAKEHOLDER ENGAGEMENT (GRI 102-40, 102-42, 102-43, 102-44)

At Polaris, we develop our sustainability strategy by collecting feedback from stakeholders on issues that are material to them and our business. We have identified our stakeholders based on importance, responsibility, dependency and proximity. We view stakeholder engagement as an ongoing process and not a one-off event. We adopt both formal and informal channels of communication to understand the needs of key stakeholders on an on-going basis, and incorporate these into our corporate strategies to achieve mutually beneficial relationships.

We continuously seek to improve communication with our stakeholders and consider their input and feedback in our business strategy. This helps us to develop better trust and understanding with our stakeholders, strengthen our partnerships, and ensure that we remain focused on the ESG topics that are most important and relevant to us and our stakeholders. In FY2021, we continued our stakeholder engagement with a focus on sustainability matters and considered their input in the review and assessment of our material ESG topics. As a result of such communication and engagement with our stakeholders, we have identified their respective key concerns as detailed below.

Stakeholder	Key Concern of Stakeholders	Communication Channel	Our Strategy
Shareholders & Investors	• Transparency • Timely communication of information regarding the Company's progress and project status • Profitability	• Virtual meetings (e.g. virtual annual general meeting) • Email correspondence	• Engaging Stakeholders at general meetings and through emails • Communication through announcements on SGXNET and on our Company website
Employees	• Diversity and equal opportunities • Training and career development • Employment benefits • Employee health and safety	• Reporting systems • Virtual meetings	• Manage work environment • Review employment benefits • Implement appropriate safe distancing measures amid COVID-19
Customers	• Product / service quality • Safety of products • Provision of correct product information • Transparent communication • Customer health and safety	• Call centres • Social media communications • Retail stores • Email correspondence • Customer satisfaction surveys conducted by external organizations	• Provide accurate product information • Source for and respond to customer feedback and queries • Implement appropriate safe distancing measures amid COVID-19 to minimise the risk of infection
Suppliers	• Compliance with terms and conditions of prevailing purchasing policies and procedures • Appropriate costs	• Quotations • Request for proposals • Email correspondence • Teleconferences	• Establish policies and practices that ensure fair selection and procurement processes, ethical business practices, and performance of contractual obligations
Resellers / Distributors	• Timely delivery • Quality assurance • After-sales support • Strong collaboration • Good customer experience	• Shop visits when necessary • Email correspondence • Virtual meetings	• Proactive sales planning • Providing sales/marketing support
Business Partners	• Partnerships for business growth and opportunities	• Frequent discussions • Teleconferences • Email correspondence	• Work with reputable partners • Source for potential collaboration opportunities with more partners
Government & Regulators	• Adherence to applicable laws and regulations • Prompt resolution of issues / instances of non-compliance • Reporting of any service issues as required by regulators	• Discussions with relevant agencies and departments	• Comply with applicable laws and regulations • Putting in place policies and procedures to ensure compliance • Strict adherence to Safe Management Measures
Media	• Ready access to the Company's developments and news • New products / services / entertainment and related content	• Invitations to media events	• Providing timely and accurate information on product releases

OUR MATERIALITY TOPICS (102-11, 102-46, 102-47, 103-1)

We have identified material topics for reporting based on the significance of our ESG and economic impacts, the risks and opportunities involved, and the degree of influence where we see the most potential for creating value for our shareholders and stakeholders. In order to ensure an accurate determination of material ESG issues amid the pandemic, we undertook a process of identification, prioritisation and validation of stakeholder concerns and issues with our management team in order to align with the shift in stakeholder requirements. The Group has formally established the PSC and the committee members comprise the CEO, key management personnel and heads of departments. The PSC oversees the implementation of the risk management framework and assesses its effectiveness through regular reviews. The Group adopted a structured risk management process which involves identification, evaluation, prioritization, validation and monitoring of risks. We aim to continuously improve our sustainability reporting and further enhance shareholder value by monitoring and reporting on the risks and opportunities which have a direct bearing on our strategies and operations. For more information on how we manage risks, please refer to the section entitled "Risk Management and Internal Controls" on pages 39 and 40 of the Annual Report.

Each sustainability factor is assigned a reporting priority that determines the actions required, as illustrated below:

Description	Criteria
High	Factors with high reporting priority are reported in detail.
Medium	Factors with medium reporting priority are considered for inclusion in the Report.
Low	Factors with low reporting priority may be reported to fulfil regulatory requirements.

A summary of Polaris' material ESG and economic issues, our mission, where the impact occurs and the corresponding time horizons, and our involvement in respect of such impacts is presented in the table below. A more detailed discussion on the material topics, including the management approach, will be covered in the respective chapters of this report.

Material Issues	Mission	Prioritization of Topics	Where impact occurs / Time horizons	Polaris Involvement
ENVIRONMENT				
Energy Efficiency	Lower ecological footprint and reduced energy cost	High	Within Organization and Environment / Long term	Direct
Climate Change and Carbon Emission	Lower carbon footprint	High	Within Organization and Environment / Long term	Direct
Waste minimisation	Lower pollution	Medium	Within Organization and Environment / Long term	Direct
SOCIAL				
Talent Attraction and Retention	Increase Company morale, gives employees a sense of pride, lower turnover rate and reduce hiring costs, create employee satisfaction	High	Within Organization and Community / Short to Medium term	Direct
Training and Education	Increase productivity, grow and nurture employees, innovative problem-solving, strengthen skills and knowledge	High	Within Organization and Community / Short to Medium term	Direct
Diversity and Equal Opportunity	Create an inclusive and non-discriminating environment	Medium	Within Organization and Community / Long term	Direct
Marketing and Labelling	To uphold the highest standards of professional values and integrity and build trust with customers through transparency	Medium	Within Organization, Customers, Distributors and Suppliers / Short to Medium term	Direct

Occupational Health and Safety	To ensure a COVID-19-safe workplace, and to minimise the risk of infection	High	Within Organization and Employees / Long term	Direct
Community Development and Employee Volunteering	Greater employee engagement, enhance job satisfaction, stronger community engagement	Low	Within Organization, Customers and Community / Short to Medium term	Direct & Indirect
Customer Health and Safety	Improve safe management practices and build stronger brand equity and value	High	Within Organization, Customers and Community / Long term	Direct
ECONOMIC				
Anti-corruption	Uphold and adhere to Group's zero tolerance policy towards fraud, corruption and unethical conduct	High	Within Organization, Communities and Investors / Long term	Direct
Procurement Practices	To continuously support local suppliers	Medium	Within Organization, Suppliers, Distributors, Investors / Long term	Direct
GOVERNANCE				
Board Diversity	Holistic guidance to the Company	High	Within Organization and Investors / Long term	Direct
Risk Management and Internal Controls	Effective risk taking and risk management, aligned with the organization's business objectives	High	Within Organization and Investors / Long term	Direct
Whistle-blowing Policy	Mitigate business risks and Fraud prevention	High	Within Organization and Investors Long term	Direct

OUR ENVIRONMENTAL EFFORTS

Carbon Emissions (GRI 305-1)

We believe in progressively reducing our organization's carbon footprint by improving energy efficiency and minimising energy consumption. Polaris' greenhouse gas ("**GHG**") emission is attributed to the use of electricity, diesel and petrol. In FY2021, our emission intensity was calculated at 0.0030 tonnes CO_2e per onsite repair (FY2020: 0.0032 tonnes CO_2e per onsite repair). This is reported as Direct (Scope 1) GHG emissions which relate to direct emissions from fuel used by company vehicles.

Energy Efficiency (GRI 302-1)

Climate change is a defining global challenge of the 21st century as it presents a multitude of risks to the global economy. Managing this topic allows us to potentially turn challenges and risks into climate-related opportunities for the Company, such as cost savings, reductions in energy consumption, alignment with customer ambitions, and to support and contribute to the development of government policies.

Energy consumption accounts for a substantial portion of our operating costs and greenhouse gas emissions. The equipment in our office buildings and retail outlets (which were operative in FY2021) run on electricity, while the vehicles used in transportation and logistics for our operations consume petroleum or diesel. We strive to reduce our energy consumption to lower our operating costs and reduce our carbon footprint.

With this priority in mind, our management approach is to minimise energy consumption in our daily operations, while continually improving our energy performance through careful review and implementation of energy management strategies.

Although we do not have a formal energy management policy, our operations are guided by the following principles which are regularly reviewed to ensure they are valid and up to date:

1. Enhance the energy management plans and systems in place, as energy conservation is an important aspect of our operations.
2. Manage and utilise energy conservation technology and best practices.
3. Conduct energy improvement programmes from time to time to optimise business operations, and to reduce operating costs and carbon footprint.
4. Promote, support and manage energy conservation efficiently, such as exploring the use of solar energy and electric vehicles in our operations.

We seek the support of our employees, business partners and stakeholder groups to help us achieve our sustainability goals.

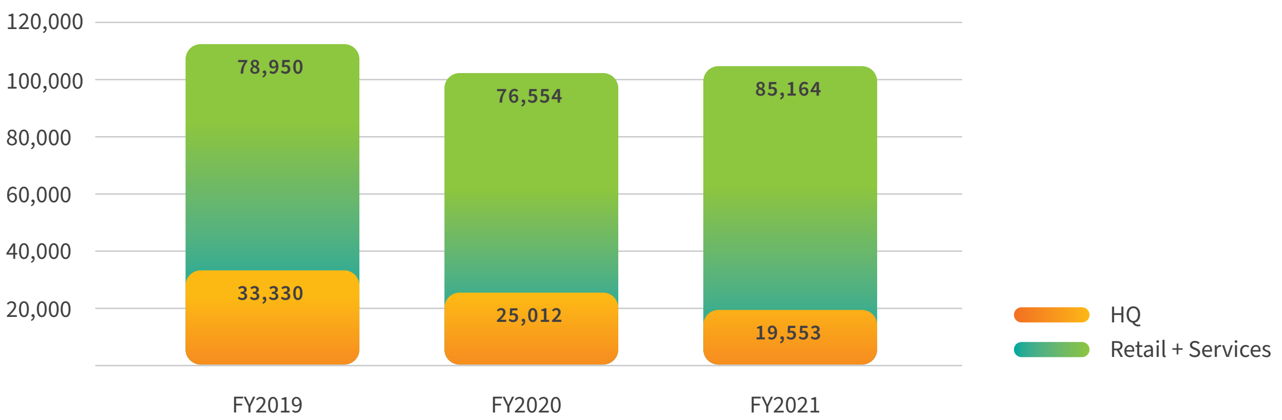
To reduce our energy consumption and carbon emissions, we use fuel-efficient vehicles in our transport and logistics operations. Vehicles with high fuel consumption may be subject to inspection and servicing where required. All vehicles are inspected yearly to comply with the Land Transport Authority's Carbon Emissions-Based Vehicle Scheme.

At our offices, energy-efficient appliances such as LED lights and energy-efficient air-conditioners are preferred. We encourage our employees to disconnect electricity supplies and turn off lights when not in use.

Our electricity and energy consumption levels are reported regularly to management, which allows us to promptly identify any issues leading to abnormally high energy consumption.

Compared to FY2020, our total energy consumption in FY2021 increased by 6.2%. This was largely owing to the increase in electricity consumption at our retail outlet which remained open in FY2021 as compared to FY2020 when it was closed during the Circuit Breaker period in Singapore between 7 April 2020 and 1 June 2020.

Our total energy consumption for FY2019, FY2020 and FY2021 are as shown below:



Waste Minimisation (GRI 306-2)

Our management approach is to reduce, reuse and recycle waste wherever possible throughout our daily operations. Waste from our operations includes paper and packaging waste. Over the years, Polaris has implemented several initiatives to reduce printed marketing materials.

During FY2021, we have continued with our recycling process for Dyson parts. Recycling greatly reduces the emission of many greenhouse gases and water pollutants, which are often by-products of waste disposal and destruction, and saves energy. These parts, which consist of Printer Circuit Boards (PCBs), motors and electrical cables extracted from fans and vacuums, are consolidated on a monthly basis and recycled by separating them into e-waste, plastics and metal from general waste. This process helps to reduce the pollution otherwise caused by the extraction and processing of virgin materials. Also, when products are made using recycled rather than virgin materials, less energy is used during manufacturing, and fewer pollutants are emitted. We also practice the proper disposal of waste by separating the faulty parts (which cannot be recycled meaningfully) and having them disposed of by a credible disposal company. All disposals will be completed with a certificate of destruction issued by the said disposal company.

The total weight of non-hazardous waste produced and disposed of pursuant to our recycling processes for FY2021 was 16.4 tonnes (FY2020: 17.9 tonnes).

OUR WORKPLACE (GR 102-7, 102-8, 102-41)

Polaris practices fair employment and is aligned with the Tripartite Alliance for Fair Employment guidelines. Our human resource policies are aimed at providing a fair performance-based work culture that is diverse, inclusive and collaborative. We also encourage our people to reach their fullest potential and provide them with a fulfilling and meaningful career.

As at 31 December 2021, our workforce comprised 85 full-time and part-time employees. Permanent employees represented 94.1% of the total headcount. Employees with managerial or supervisory roles accounted for 27.5% of our workforce. None of our employees are covered by collective bargaining agreements.

Workforce by Employment Contract

Employees (by type of employment contract)	Male (in numbers)	Female (in numbers)	Total
Full-time	43	37	80
Part-time	2	3	5
Total	45	40	85

Workforce and by Age

Age Group	Male (%)	Female (%)
Under 30 years old	12	23
30 to 50 years old	35	20
Over 50 years old	5	5
Total (all age groups)	52	48

Workforce by Region

Region	% of Workforce
Asia	52
The United States of America	47
Others	1
Total	100

To ensure that our workplaces are COVID-19-safe, Polaris put in place a system of Safe Management Measures since the commencement of the COVID-19 Circuit Breaker on 7 April 2020. A range of safe distancing measures have been implemented at our headquarters, service centre and retail shop. More details on this will be discussed in the following sections.

Talent Attraction and Retention (GRI 401-1)

We believe that investing in our people is crucial to the success of our business. We manage our human capital investment by attracting and nurturing the right talent, as well as caring for their professional growth and personal well-being during their employment with us.

As more and more of the Singapore population obtained vaccinations and with the progressive easing of COVID-related restrictions in Singapore, the economy started to show signs of recovery and this resulted in tight labour market. We continue to offer competitive renumeration packages to retain staff and to attract fresh talent to the Company.

Enabling Staff Development

We believe in developing our employees' capabilities for their current and future roles for the long-term sustainability of our business. To encourage further learning and career development, Polaris conducts annual performance appraisals and quarterly career development reviews for our employees as part of the performance management system. This ensures that employees are on track in their career development as well as to align their training needs with business objectives. All eligible employees received a performance review in FY2021.

Encouraging Long-Term Careers

We believe in building long-term and fulfilling careers for our people. The average length of employment with our Company is about two and a half (2.5) years, and this attests to the effectiveness of our employee engagement efforts and the career opportunities that we provide.

We review our people policies and initiatives for improvement on an ongoing basis. We gather feedback from our people regularly through employee feedback mechanisms such as team meetings and exit interviews. Information gathered is reviewed and analysed on an annual basis by our Human Resources ("**HR**") department. Where appropriate, retirement consultation sessions may be held with our employees to assess such employee's readiness for retirement or re-employment, and to explore options such as part-time work or contract work during such discussions. No Company employee had retired in FY2021.

A breakdown of new hires and turnover figures for FY2021 is shown below.

Employee Turnover and New Employee Hires for FY2021

	Employee Turnover			**New Hires**		
Age Group	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Under 30 years old	8	13	21	0	3	3
30 to 50 years old	3	6	9	6	2	8
Over 50 years old	1	0	1	1	0	1
Sub-total	12	19	31	7	5	12
Turnover rate (%)#			36			
New Hire rate (%)##						14

Turnover rate is calculated based on the total turnover over the total number of employees at the end of FY2021.

New Hire rate is calculated based on the total number of new hires over the total number of employees at the end of FY2021 but does not take into consideration turnovers.

Training and Education (GRI 404-2)

At Polaris, we encourage continuous self-development and aim to provide all employees with equal opportunities for training and upgrading. We believe that learning and training opportunities are important, and that self-development is a continuous and life-long process so that employees are equipped with the competencies needed to meet current and future business needs. This includes workshops, seminars, conferences, in-house company trainings and on-the-job training.

The COVID-19 pandemic has triggered an abrupt transition to distance education, training and e-learning. It has also resulted in massive shifts to online platforms and tools for the continued delivery of learning and skills development. With the changes in customer buying behaviours as a result of the pandemic, Polaris has shifted direction to invest more in digital marketing and e-commerce. A Facebook Marketing (Live Streaming) course was arranged for our employees to help and add value in respect of executing sales for the Company. Through this, our employees were able to learn how to start a livestream, how to prepare the content, track campaign performance and set up Facebook advertisements. We believe that such courses and opportunities will allow them to undertake a greater variety of work and be better able to implement and realise specific goals outlined in a company's business plan. This, in turn, allows the Company to be cost-effective, increasing credibility and expertise as well as improving the job satisfaction of our employees, and creates a competitive edge in the market.

All new employees must also attend an onboarding programme, which aims to induct and integrate new hires into the organisational culture.

In FY2021, we identified suitable training for our employees and more than 25% of our employees attended training.

Diversity and Equal Opportunity (GRI 405-1)

We recognise the inherent strengths of a diverse and inclusive workforce, where our people are able to offer different perspectives and ideas to better contribute to the business. It is therefore our belief that creating a diverse workplace environment is essential to building and sustaining our competitive advantage. Such diversity fosters innovative thinking and helps tackle business challenges through different perspectives by enhancing our team's capacity for breadth of input, risk alertness and responsiveness to change.

Moreover, we strive to offer equal opportunities in hiring, career advancements, promotions and remuneration based on merit and experience irrespective of gender, age, racial, ethnic or cultural background. Recruitment is conducted fairly and in an open and transparent manner. We appreciate the value of employing individuals with various backgrounds to build a vibrant and competent workforce.

A breakdown on the diversity of our Board of Directors and employees per employee category as at 31 December 2021 is set out below.

Board of Directors

Age Group	Male	Female	Total
30 to 50 years old	0	2	2
Over 50 years old	3	0	3
Sub-total	3	2	5
Percentage (%)	60	40	100

Other Employee Categories

	Senior Management			Middle Management			Functional Employees		
Age Group	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Under 30 years old	0	0	0	1	0	1	9	20	29
30 to 50 years old	4	4	8	12	11	23	14	2	16
Over 50 years old	4	1	5	0	0	0	0	3	3
Sub-total	8	5	13	13	11	24	23	25	48
Percentage (%)	62	38	100	54	46	100	48	52	100

Marketing and Labelling (GRI 417-1, 417-2, 417-3)

Polaris recognises that fair marketing practices and being transparent in the way we communicate can build trust and loyalty among our customers, partners and suppliers. We adhere to strict marketing codes to ensure that all marketing activities comply with the various laws and guidelines such as the Singapore Code of Advertising Practice, the Info-communications Media Development Authority's Codes of Practice and Guidelines, and the PDPA.

In FY2021, we have not identified any non-compliance with regulations and/or voluntary codes concerning information and labelling, or marketing communications including advertising, promotion and sponsorships in relation to products and services that we offer.

Moving forward, we strive to maintain the quality of our products and services as well as retail and distribution channels by choosing the right types of products and services to fit our business model. Quality checks will also be continuously deployed by our staff to ensure compliance with applicable regulations relating to marketing and labelling in the markets we operate.

Occupational Health and Safety (GRI 403-1, 403-2)

The health and safety of our people is of paramount importance to Polaris. We strive to continuously raise our standards in providing a safe and healthy working environment for our employees.

We comply with the requirements of the Workplace Safety and Health Act 2006 of Singapore. We have in place internally formulated safety guidelines and measures at our premises to minimise the risk of incidents. Our health and safety matters are managed internally by our HR department, which has been tasked to carry out risk assessments to identify and address risks during business and work activities. Our safety guidelines and measures, as well as risk assessments, are reviewed regularly to ensure that they are kept up to date.

Work place incidents (if any) are reported by our employees and any incidents reported are reviewed by our HR department, which will then recommend rectifications to be implemented to mitigate the risk of such incidents reoccurring. Additionally, our employees can feedback directly to their supervisors to highlight work situations which they believe could cause injury or ill health.

Protecting Employees from COVID-19

Polaris takes an interest in our employees' financial security, health and safety. Even as our headquarters, service centre and retail store reduced their operational hours and demand for certain services has slowed down in view of the pandemic, Polaris is committed to paying employees at the same rate as before.

In terms of health and safety, we have implemented safe distancing measures at all our workplace premises, which include reducing the need for and duration of physical interactions. In an effort to curb the potential spread of COVID-19, we encourage our employees to work from home and implemented a split team arrangement to further reduce the number of workers who have to be physically present at the workplace, so that there will be less movement and interaction of people. No more than 50% of employees who are able to work from home were allowed at the workplace at any one time. In addition, employees as well as our suppliers and customers who enter our workplace premises are required to conduct temperature screenings and digital check-ins and check-outs by using the SafeEntry or TraceTogether applications to facilitate contact tracing efforts in response to the COVID-19 pandemic in Singapore.

Local Community (GRI 413-1)

We believe in being a business that looks beyond profitability alone. Our commitment towards creating growth includes supporting communities besides looking after business interests. Our social programmes are managed by our HR department, and all activities and initiatives proposed are approved by our senior management.

Over the years, we encourage our employees to participate in community and environmental initiatives through volunteering, and supported several community initiatives. However, due to COVID-19, we unfortunately could not pursue our usual corporate social responsibility ("**CSR"**) activities in FY2021 in order to limit close contact among individuals. Moving forward, we are excited and committed to doing our part to serve and contribute to our society so as to improve the lives of others and foster camaraderie amongst our employees and a sense of giving back, thereby improving working relationships. As such, we are fully intent on planning such meaningful CSR activities in the current financial year subject to the status of the COVID-19 pandemic and applicable safe distancing regulations.

Customer Health and Safety (GRI 416-1)

Polaris is committed to deliver quality and safe products to our customers, in line with our core values and for long-term business sustainability. For products that we distribute, we evaluate our suppliers to ensure that they meet regulatory standards in product manufacturing, safety and labelling.

Mitigating risks relating to COVID-19

In order to minimise the risk of a re-emergence of COVID-19 in the community, Polaris implemented crowd and queue management systems such as using floor markers to demarcate queue lines for customers at cashier counters, limiting the number of customers in the retail store and ensuring at least one-metre safe distancing between customers. These measures are intended to reduce crowding and long queues within the premises. All our employees and customers are also required to have their mask on at all times on our premises. Our management team has also come up with a schedule of staggered working hours to further reduce the number of staff physically present on our premises at any one time and to minimise the risk of transmission among staff.

We also adopt regular cleaning and sanitization procedures for frequently-touched surfaces to protect our customers and employees.

OUR ECONOMY (GRI 102-9, 102-10)

Our management approach is to create value for our shareholders and stakeholders by ensuring sustainable growth of our businesses. We are focused on adopting strategies that maximise shareholder returns while creating environmental, social and economic value for our stakeholders. The Company had entered the resale space of premium lifestyle products in 2019, riding the global trend of increased interest in pre-owned goods.

We regularly review our management approach in view of the business goals, stakeholder expectations and the actual performance of the Group.

Anti-Corruption (GRI 205-1, 205-2, 205-3)

Polaris takes a strong stance against corruption and malpractice in the Group, and adheres to a zero-tolerance policy on fraud and unethical conduct including corruption and bribery.

The Group, having considered and assessed the risks related to corruption in respect of its entire operations, has formulated policies to detect, prevent and provide guidance on appropriate avenues to raise concerns on any fraud, corruption and bribery involving employees, shareholders, directors, consultants, vendors, contractors, and any other parties with a business relationship with Company. In accordance with such policies, employees must declare any possible conflict of interest that could arise in their discharge of their duties and must not offer, solicit or accept directly or indirectly any bribes, gifts or improper payments. Any unsolicited gifts must be declined by our employees and dealt with according to the Group's policy.

A whistle-blowing process is in place and supported whereby any concerns or incidents of actual or potential fraud, corruption or bribery may be raised in confidence to the Chairman of the Board, who may direct such concerns to the Audit and Risk Committee of the Company. In the event of reported corruption incidents, independent investigations may be carried out by an investigation committee ("**Investigation Committee**") commissioned by the Audit and Risk Committee in an appropriate and timely manner where required. Mitigating and preventive measures will be implemented to improve the existing internal controls and policies to prevent recurrence. The Investigation Committee shall have free and unrestricted access to examine all files, records and premises of the Group. The objective of the whistle-blowing process is to ensure that independent investigations of such matters are carried out and appropriate follow-up measures are taken.

The Group sees the importance of educating employees on anti-corruption related matters. The Group's anti-corruption policies and procedures have been communicated to all its Directors, employees, members of the governance body and business partners through its policy statements and, as the case may be, employee handbook.

There was no reported incident of corruption or public legal cases regarding corruption brought against the Group or its employees during the reporting period.

Procurement Governance

Polaris adopts a fair business trading framework and procures from suppliers who conduct business ethically.

With the extensive variety and range of products to procure from different sectors of suppliers, we have stringent procurement processes in place to ensure good corporate governance and compliance with anti-bribery and corruption rules and regulations. Our multi-tiered approval process ensures that each level of approval will take into consideration the suppliers' capabilities, consistency, product quality, reliability and price to ensure that we are operating within high ethical standards.

Our procured products and supplies are from brands which the business units are representing, such as Apple[1], Dyson and MakeBlock, and other suppliers for products such as computer accessories, lifestyle and audio devices.

We represented Apple, Dyson and MakeBlock as their partners in Singapore in FY2021. The proportion of local spending in Singapore contributed to approximately 76% of the Group's total expenditure during FY2021. There are numerous benefits from sourcing locally as compared to sourcing internationally, such as shorter delivery lead time and better communication with suppliers due to quicker response times.

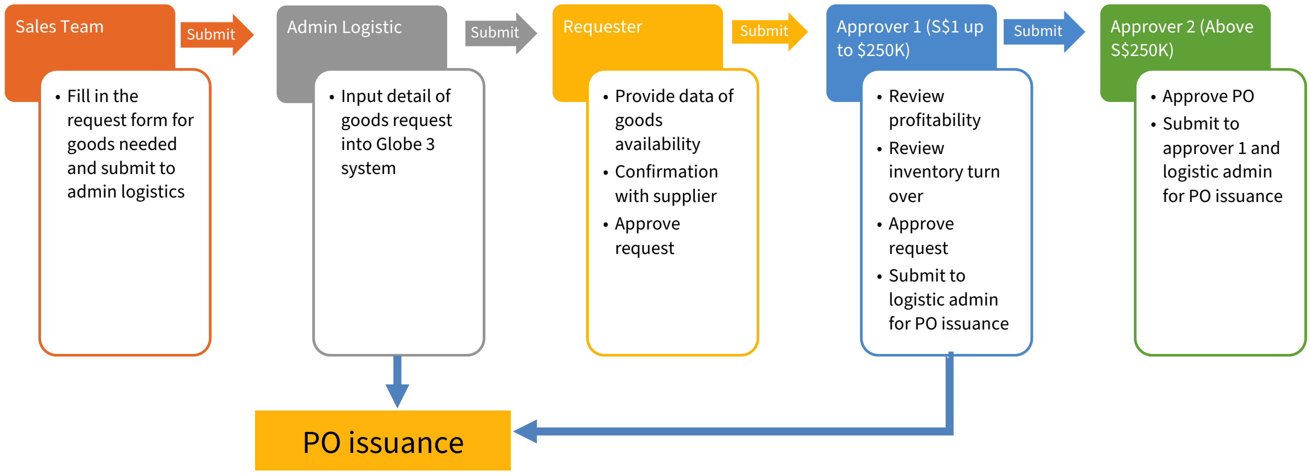
We encourage and support local businesses. With regard to our operations in Singapore during FY2021, our total local expenditure was approximately $23 million (FY2020: $22 million). Out of our 101 vendors who supply products to our operations in Singapore, only one was from overseas import.

While for our pre-owned luxury goods segment business which operations are predominantly outside of Singapore, our total expenditure was approximately $7 million, sourcing from 777 vendors internationally.

To ensure a fair business trading framework, we work actively to combat corruption in all of its forms, which includes bribery, unfair competition, conflicts of interest, fraud, embezzlement and unlawful kickbacks. Our senior management leads by example and aims to foster a workplace culture with zero-tolerance for bribery, fraud, embezzlement and unlawful kickbacks. In addition, our HR department is tasked with overseeing the policy because they are aware of relevant employee-related legislation in terms of unfair competition and conflicts of interest. Relevant details are highlighted in the letter of appointment for new employees. Please refer to the section entitled "Our Economy – Anti-Corruption" on page 18 of this Annual Report for more information on our anti-corruption policies and procedures.

[1] At the end of March 2022, the Group ceased operating its last Apple Premium Reseller retail store. Notwithstanding this, the Group continues the corporate sale of Apple products under its consumer electronics segment.

All procurement is processed through our Enterprise Resource Planning system with its multi-tiered approval process, whereby up to three levels of approving officers are required to approve and sign off on the issuing of Purchase Orders in the system. This is to address conflicts of interest and ensure the correct latest purchase price, as illustrated in the diagram below.



As an integral part of supply chain management, we diligently sort out the delivered goods packaging and ensure that they are disposed of in an environmentally-responsible manner.

Going forward, we are looking at improving our warehousing and storage spaces to ensure better workplace safety and health.

OUR GOVERNANCE

Polaris practices high standards of corporate governance and recognises the importance of good corporate governance and the offering of high standards of accountability to shareholders.

Board Diversity

The Board recognises that board diversity is an important element which will better support the Company's achievement of its strategic objectives for sustainable development by enhancing the decision-making process of the Board through varied perspectives, skills, experience, gender, age, knowledge and professional qualifications. Further details on the breakdown of our Board of Directors by gender and age are provided under the section entitled "Our Workplace – Diversity and Equal Opportunities" on page 16 of this Annual Report.

Risk Management and Internal Controls

The Company's internal auditors conduct an annual review of the effectiveness of the Company's material internal controls, including financial, operational, compliance and information technology controls, and a risk assessment at least annually to ensure the adequacy of the same.

Whistle-blowing Policy

The Company, with the advice of the Audit and Risk Management Committee, has put in place a "whistleblowing" process and has formulated the guidelines for a Whistle-Blowing Policy for the Group. For more information on the whistle-blowing process, please refer to our Whistle-Blowing Policy as described in the Corporate Governance section on page 44.

GRI CONTENT INDEX (GRI 102-55)
– Core Options

GRI Standard 2016	Disclosure	Page Reference or additional comment
General Disclosure		
GRI 102: Organizational Profile		
102-1	Name of the organization	Pg 6, Corporate Profile
102-2	Activities, brands, products, and services	
102-3	Location of headquarters	
102-4	Location of operations	
102-5	Ownership and legal form	
102-6	Markets served	
102-7	Scale of the organization	Pg 14, Our Workplace
102-8	Information on employees and other workers	
102-9	Supply chain	Pg 19, Our Economy – Procurement Governance
102-10	Significant changes to the organization and its supply chain	
102-11	Precautionary Principle or approach	Pg 11–12, Our Materiality Topics
102-12	External initiatives	Not applicable
102-13	Membership of associations	Not applicable
GRI 102: Strategy		
102-14	Statement from Senior Decision-maker	Pg 1–2, Letter to Shareholders
GRI 102: Ethics and integrity		
102-16	Values, principles, standards, and norms of behaviour	Pg 6, Corporate Profile Pg 8, Reporting Process
GRI 102: Governance		
102-18	Governance structure	Pg 8, Reporting Process
GRI 102: Stakeholder Engagement		
102-40	List of stakeholder groups	Pg 10, Stakeholder Engagement
102-41	Collective bargaining agreements	Pg 14, Our Workplace
102-42	Identifying and selecting stakeholders	Pg 10, Stakeholder Engagement
102-43	Approach to stakeholder engagement	
102-44	Key topics and concerns raised	
GRI 102: Reporting Practice		
102-45	Entities included in the consolidated financial statements	Pg 93–94, Financial Statements
102-46	Defining report content and topic boundaries	Pg 11–12, Our Materiality Topics
102-47	List of material topics	
102-48	Restatements of information	Not applicable. There were no restatements of information given in the previous report.

102-49	Changes in reporting	Not applicable. There were no significant changes from the previous reporting period in the list of material topics and the impacts of such material topics.
102-50	Reporting period	1 January 2021 to 31 December 2021
102-51	Date of most recent report	3 June 2021. Report for the period 1 January 2020 to 31 December 2020.
102-52	Reporting cycle	Reports are published on an annual basis
102-53	Contact point for questions regarding the report	Pg 8, Feedback
102-54	Claims of reporting in accordance with the GRI Standards	Pg 8, Introduction
102-55	GRI content index	Pg 21–24, GRI Content Index
102-56	Internal Assurance	Pg 9, Internal Assurance
Top Specific Standards		
Anti-Corruption		
103-1	Explanation of the material topic and its boundary	Pg 11–12, Our Materiality Topics
103-2	The management approach and its components	Pg 18, Our Economy – Anti-Corruption
103-3	Evaluation of the management approach	
205-1	Operations assessed for risks related to corruption	
205-2	Communication and training about anti-corruption policies and procedures	
205-3	Confirmed incidents of corruption and actions taken	
Procurement Practices		
103-1	Explanation of the material topic and its boundary	Pg 11–12, Our Materiality Topics
103-2	The management approach and its components	Pg 19–20, Our Economy – Procurement Governance
103-3	Evaluation of the management approach	
204-1	Proportion of spending on local suppliers	Pg 9, Performance Highlights
Energy		
103-1	Explanation of the material topic and its boundary	Pg 11–12, Our Materiality Topics
103-2	The management approach and its components	Pg 12–13, Our Environmental Efforts - Energy Efficiency
103-3	Evaluation of the management approach	
302-1	Energy consumption within organization	
302-3	Energy intensity	Pg 9, Performance Highlights Pg 12–13, Our Environmental Efforts - Energy Efficiency

Emissions		
103-1	Explanation of the material topic and its boundary	Pg 11–12, Our Materiality Topics
103-2	The management approach and its components	Pg 12, Our Environmental Efforts – Carbon Emissions
103-3	Evaluation of the management approach	
305-1	Direct (Scope 1) GHG emissions	
305-4	GHG emissions intensity	Pg 9, Performance Highlights
Effluents and Waste		
103-1	Explanation of the material topic and its boundary	Pg 11–12, Our Materiality Topics
103-2	The management approach and its components	Pg 14, Our Environmental Efforts – Waste Minimisation
103-3	Evaluation of the management approach	
Employment		
103-1	Explanation of the material topic and its boundary	Pg 11–12, Our Materiality Topics
103-2	The management approach and its components	Pg 14, Our Workplace – Talent Attraction and Retention
103-3	Evaluation of the management approach	
401-1	New employee hires and employee turnover	
Training and Education		
103-1	Explanation of the material topic and its boundary	Pg 11–12, Our Materiality Topics
103-2	The management approach and its components	Pg 14, Our Workplace
103-3	Evaluation of the Management Approach	
404-2	Programs for upgrading employee skills and transition assistance program	Pg 16, Our Workplace – Training and Education
Diversity and Equal Opportunity		
103-1	Explanation of the material topic and its boundary	Pg 11–12, Our Materiality Topics
103-2	The management approach and its components	Pg 16, Our Workplace – Diversity and Equal Opportunity
103-3	Evaluation of the management approach	
405-1	Diversity of governance bodies and employees	
Marketing and Labelling		
103-1	Explanation of the material topic and its boundary	Pg , 11–12 Our Materiality Topics
103-2	The management approach and its components	Pg 17, Our Workplace – Marketing and Labelling
103-3	Evaluation of the management approach	
417-1	Requirements for product and service information and labelling	
417-2	Incidents of non-compliance concerning product and service information and labelling	
417-3	Incidents of non-compliance concerning marketing communications	
Customer Privacy		
103-1	Explanation of the material topic and its boundary	Pg 9, Privacy and Data Security
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
418-1	Substantial complaints concerning breaches of customer privacy and losses of customer data	

Customer Health and Safety		
103-1	Explanation of the material topic and its boundary	Pg 11–12, Our Materiality Topics
103-2	The management approach and its components	Pg 18, Our Workplace – Customers Health and Safety
103-3	Evaluation of the Management Approach	
416-1	Assessment of the health and safety impacts of product and service categories	
Occupational Health and Safety		
103-1	Explanation of the material topic and its boundary	Pg 11–12, Our Materiality Topics
103-2	The management approach and its components	Pg 18, Our Workplace – Occupational Health and Safety
103-3	Evaluation of the management approach	
403-1	Occupational health and safety management system	
403-2	Hazard identification, risk assessment, and incident investigation	
Local Communities		
103-1	Explanation of the material topic and its boundary	Pg 11–12, Our Materiality Topics
103-2	The management approach and its components	Pg 18, Our Workplace – Local community
103-3	Evaluation of the management approach	
413-1	Operations with local community engagement, impact assessments, and development programs	

CORPORATE **GOVERNANCE REPORT**

The board of directors (the "**Board**" or "**Directors**") of Polaris Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") is fully committed to maintaining high standards of corporate governance and recognises the importance of good corporate governance and the offering of high standards of accountability to shareholders.

This report outlines the Company's corporate governance practices and processes that were in place for the financial year ended 31 December 2021 ("**FY2021**"), with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**") and the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual: Section B: Rules of Catalist (the "**Catalist Rules**"), where applicable.

The Board is pleased to confirm that the Company has adhered to the Code and the Catalist Rules except where otherwise stated and explained. Where there has been a variation from the provisions of the Code, an explanation of the reason(s) for variation and of how the Company's alternative corporate governance practices are consistent with the aim and philosophy of the relevant principle and/or provision of the Code have been explicitly stated. The Board considers that the alternative corporate governance practices are sufficient in meeting the underlying objective of the Code.

(A) BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1

The Board's primary role is to protect and enhance long-term shareholder value. The Board sets the overall strategy for the Group and supervises the management of the Company (the "**Management**"). To fulfil this role, the Board sets the Group's strategic direction, establishes goals for the Management and monitors the achievement of these goals, thereby taking responsibility for the overall success and corporate governance of the Group.

In addition to its statutory duties, the Board's principal functions are:

a. establish the overall business direction of the Group, with specific emphasis on business expansion and synergies, and ensuring that the necessary financial and human resources are in place;
b. review Management performance;
c. oversee the processes of evaluating the adequacy of internal controls, risk management, financial reporting and compliance, including safeguarding of shareholders' interests and the Company's assets;
d. approve major investment and divestment proposals, material acquisitions and disposal of assets, major corporate policies on key operations, the annual budget, the release of the Group's half year and full year financial statements, and interested person transactions of a material nature;
e. identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;
f. assume corporate governance practices directly or through the respective Board Committees (as defined below); and
g. consider sustainability issues including environmental and social factors, as part of its strategic formulation.

All Directors exercise due diligence and independent judgment, and are obliged to act in good faith as fiduciaries and consider at all times the best interests of the Company.

Our Directors are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets an appropriate tone at the top and desired organisational culture, and ensures proper accountability within the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

Provision 1.3

The Company has adopted a set of Approving Authority & Limit Guidelines (the "**Guidelines**") setting out the level of authorisation required for specified transactions, including those that require Board approval. Under the Guidelines, new investments or divestments and all commitments to banking facilities granted by financial institutions to the Company require the approval of the Board. For instance, the Board had approved the entry into an asset purchase agreement with Marque Luxury LLC ("**MLL**"), Marque Supply Company LLC, and Mr. Quentin Phillip Caruana (collectively, the "**Selling Parties**") to acquire, *inter alia*, certain business and assets in the pre-owned luxury goods business as well as 100% of the equity interest in Marque Supply Japan and 85% of the equity interest in Marque Mentor LLC from the Selling Parties, in March 2021. The Board also approved the entry into a non-binding term sheet in April 2021 and a sale and purchase agreement in June 2021 for the disposal of the Group's entire 40% shareholding in Polaristitans Philippines Inc to Techtitan Technology Inc. The disposal of the Company's investment properties and the incorporation of a new indirect subsidiary in Vietnam, Marque Luxury Vietnam Company Limited, were similarly approved by the Board in April 2021 and June 2021 respectively. The Board also approved the Company's entry into a memorandum containing heads of agreement on 24 October 2021 with Englory Media Holdings Pte. Ltd. (the "**Investor**") and MLL for a potential US$10,000,000 investment by way of a subscription of equity interests in in the Company's principal subsidiary, Marque Luxury America LLC by the Investor ("**Potential Injection**"). The Potential Injection has been approved by shareholders at an extraordinary general meeting of the Company held on 12 November 2021. Subsequently, the Group entered into subscription agreement with the Investor in relation to the Potential Injection in February 2022. The Board also approved the liquidation of a dormant subsidiary in February 2022 and the incorporation of a subsidiary in Indonesia in March 2022.

Provision 1.4

To assist the Board in executing its responsibilities, the Board has delegated specific functions to the Audit and Risk Management Committee ("**ARMC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (together, the "**Board Committees**", and each a "**Board Committee**"). These Board Committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis to ensure their continued relevance. The effectiveness of each Board Committee is also constantly monitored. Minutes of the Board Committee meetings are available to all Board members.

Provision 1.5

The Board currently holds at least two (2) scheduled meetings each year. In addition, it holds additional meetings at such other times as may be necessary to address specific significant matters that may arise. Important matters concerning the Group are also put up to the Board for its decision by way of written resolutions. The Company's constitution (the "**Constitution**") has provisions for Board meetings to be held via telephone or videoconference.

A record of the Directors' attendance at meetings of the Board and Board Committees for FY2021, as well as the number of such meetings, is set out as follows:

	Board	**ARMC**	**NC**	**RC**
No. of meetings held	3	2	1	1
No. of meetings attended by respective Directors				
Ong Kok Wah (1)	1	1	1	1
Masahiko Yabuki	3	2	1	1
Soennerstedt Carl Johan Pontus	3	2*	1	1*
Diana Airin	2	2	1	1
Evy Soenarjo (2)	1	1	-	1
Sugiono Wiyono Sugialam (3)	2	1*	-	-
Wong Leng Yee Serena (4)	2	1	-	-

* *By invitation*

Notes:

(1) Mr Ong Kok Wah, a former Independent Non-Executive Director, retired with effect on 18 June 2021.

(2) Ms Evy Soenarjo, a former Non-Independent Non-Executive Director, resigned with effect on 31 July 2021.

*(3) Mr Sugiono Wiyono Sugialam ("**Mr Sugiono**") was appointed as an Executive Director of the Company, the Executive Chairman of the Board, and a member of the NC on 25 February 2021.*

*(4) Ms Wong Leng Yee Serena ("**Ms Wong**") was appointed as an Independent Non-Executive Director of the Company, the Chairman of ARMC, and a member of the NC and RC on 16 July 2021.*

Provision 1.6 and Provision 1.2

The Directors are updated regularly on changes and amendments to the Catalist Rules, the Group's policies on risk management, corporate governance and insider trading, and key changes in the relevant regulatory requirements, financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as Board or Board Committee members.

News releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority ("**ACRA**”) which are relevant to the Directors are circulated by the Management to the Board. The Company Secretary and the Sponsor would inform the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company. Such conferences and seminars as well as other training courses will be arranged and funded by the Company for all Directors. Annually, the external auditors will also update the ARMC and the Board on new and revised financial reporting standards that are applicable to the Company and/or the Group.

Newly appointed Directors will receive appropriate training on corporate governance, if required. The Group has implemented an orientation program for new Directors to familiarise them with the Group’s core businesses and governance practices. The orientation program also covers the Group’s history, mission and values. In addition, the Management regularly updates and familiarizes the Directors on the business activities and operations of the Group during Board meetings. Directors will also be given opportunities to visit the Group's operational facilities and meet the Management team so as to gain a better understanding of the Group's businesses.

A formal letter of appointment would be furnished to every newly-appointed director upon their appointment explaining, amongst other matters, their roles, obligations, duties and responsibilities as a member of the Board.

In addition, as required under the Catalist Rules, a new director who has no prior experience as a director of a company listed on the SGX-ST must undergo training as prescribed by the SGX-ST, including mandatory training on his or her roles and responsibilities as a director. Such training will be completed within one year of the appointment.

The following new appointments were made to the Board in FY2021:

1) Appointment of Mr Sugiono as an Executive Director of the Company and the Executive Chairman of the Board on 25 February 2021; and
2) Appointment of Ms Wong as an Independent Non-Executive Director on 16 July2021.

Each of the above Directors were given their respective letters of appointment, setting out their duties, obligations and the terms of appointment, and were briefed on the Group’s structure, business, operations and policies.

Under Rule 406(3)(a) and Practice Note 4D of the Catalist Rules, Ms Wong, being a first-time Director, is required to attend the following mandatory prescribed courses – Listed Entity Director (LED) Programme, conducted by the Singapore Institute of Directors ("**SID**"). The details of the courses attended by Ms Wong and Ms Diana Airin is summarised in the table below:

Modules	**Date of Completion**	
	Wong Leng Yee Serena	**Diana Airin**
LED 1 – Listed Entity Director Essentials	5 October 2021	16 July 2020
LED 2 – Board Dynamics	7 October 2021	10 March 2022 (1)
LED 3 – Board Performance	8 October 2021	17 July 2020
LED 4 – Stakeholder Engagement	12 October 2021	15 March 2022 (1)
LED 5 – Audit Committee Essentials	13 October 2021	20 July 2020
LED 6 – Board Risks Committee Essentials	14 October 2021	17 March 2022 (1)
LED 7 – Nominating Committee Essentials	19 October 2021	23 March 2022 (1)
LED 8 – Remuneration Committee Essentials	22 October 2021	29 July 2021

[Note:

(1) Ms Diana Airin has since attended the Board Dynamics, Stakeholder Engagement, Board Risks Committee Essentials and Nominating Committee Essentials modules in March 2022 and has thus completed the mandatory LED Programme conducted by SID. She was unable to attend the aforestated courses which the Company originally registered her for in 2020 and 2021 due to personal reasons.

The Board is provided with complete and adequate information in a timely manner prior to Board meetings and is kept informed of on-going developments within the Group. Board papers are generally made available to Directors in a timely manner, before the Board and Board Committee meetings, and would include financial management reports, reports on the performance of the Group, papers pertaining to matters requiring the Board's decision, updates on key outstanding issues, strategic plans and developments in the Group. This is to enable the Directors to be properly briefed on matters to be considered at Board and Board Committee meetings to enable them to make informed decisions and discharge their duties and responsibilities.

The Company has an on-going budget for all Directors to attend appropriate courses, seminars and conferences for them to stay abreast of the relevant business developments, changes in applicable rules and regulations, and to develop and maintain their skills and knowledge at the Company's expense. These include programmes run by the Singapore Institute of Directors or other training institutions.

The details of the courses attended by the Directors in FY2021 are summarised in the table below:

Training(s) attended by Directors in FY2021		
Course Name	**Course Organiser**	**Attendees**
LED 1 – Listed Entity Director Essentials	SID	Wong Leng Yee Serena
LED 2 – Board Dynamics	SID	Wong Leng Yee Serena
LED 3 – Board Performance	SID	Wong Leng Yee Serena
LED 4 – Stakeholder Engagement	SID	Wong Leng Yee Serena
LED 5 – Audit Committee Essentials	SID	Wong Leng Yee Serena
LED 6 – Board Risks Committee Essentials	SID	Wong Leng Yee Serena
LED 7 – Nominating Committee Essentials	SID	Wong Leng Yee Serena
LED 8 – Remuneration Committee Essentials	SID	Wong Leng Yee Serena
LED 8 – Remuneration Committee Essentials	SID	Diana Airin
bizSAFE Workshop for Company CEO / Top Management	NTUC Learning Hub	Soennerstedt Carl Johan Pontus

Provision 1.7

The Directors have separate and independent access to the Company Secretary at all times to address any enquires they may have. The Company Secretary or his/her nominee attends all Board and Board Committee meetings and is responsible for ensuring that established procedures and all relevant requirements of the Companies Act 1967 of Singapore (the "**Companies Act**") and the Catalist Rules that are applicable to the Company are complied with. The Company Secretary assists the Chairman in preparing meeting agendas, attending Board and Board Committee meetings and preparing minutes of all Board and Board Committee proceedings. Under the direction of the Chairman, the Company Secretary, with the support of the Management staff, is responsible for ensuring accurate and timely information flow within the Board and the Board Committees and between senior management and non-executive directors, advising the Board on all governance matters, facilitating the orientation of new employees, and assisting with professional development as may be required.

The appointment and removal of the Company Secretary is subject to the Board's approval.

The Board is informed of all material events and transactions as and when they occur. All analyst and media reports on the Group, if any, are promptly forwarded by the CEO to the Directors on an on-going basis.

The Board has separate, independent and unrestricted access to the senior management of the Group at all times. Requests for information from the Board are dealt with promptly by the senior management.

The Board seeks independent professional advice as and when necessary to enable it to discharge its responsibilities effectively. The Directors, whether as a group or individually, may seek and obtain legal and other independent professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil their roles and responsibilities as Directors.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The Board comprises five (5) Directors of whom three (3) are Independent Non-Executive Directors and two (2) are Executive Directors. A summary of the current composition of the Board and the Board Committees is set out as follows:

Name of Director	Board	ARMC	NC	RC
Sugiono Wiyono Sugialam (1)	Executive Director and Executive Chairman	-	Member	-
Soennerstedt Carl Johan Pontus	Executive Director and CEO	-	Member	-
Wong Leng Yee Serena (2)	Independent Non-Executive Director	Chairman	Member	Member
Masahiko Yabuki	Independent Non-Executive Director	Member	Chairman	Member
Diana Airin	Independent Non-Executive Director	Member	Member	Chairman

Notes:
(1) Mr Sugiono was appointed as an Executive Director of the Company, the Executive Chairman of the Board, and a member of the NC on 25 February 2021.
(2) Ms Wong was appointed as an Independent Non-Executive Director of the Company, the Chairman of ARMC, and a member of the NC and RC on 16 July 2021.

Provision 2.2 and Provision 2.3

There is presently a strong and independent element on the Board, with Independent Non-Executive Directors making up more than 50% of the Board. The Company is in compliance with Provisions 2.2 and 2.3 of the Code which stipulate that independent directors should make up a majority of the Board where the Chairman is not independent and that non-executive directors should make up a majority of the Board, respectively.

Provision 2.1

The NC adopts the spirit of the definition in the Code as to what constitutes an Independent Director. Accordingly, the NC considers an "independent" Director as one who is independent in conduct, character and judgment, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of the Company. The NC has completed its annual review of the independence of each Independent Non-Executive Director and is of the view that these Directors are independent. The Board has also reviewed and confirmed the independence of the Independent Non-Executive Directors. There are no Independent Non-Executive Directors who are deemed non-independent by the Board.

None of the Independent Non-Executive Directors has served on the Board beyond nine (9) years from the date of his or her first appointment.

The Board is cognisant of Rule 406(3)(d)(iii) of the Catalist Rules which requires that the continued appointment as an independent director, after an aggregate period of more than nine (9) years on the board, must be sought and approved in separate resolutions by all shareholders and shareholders excluding directors, the chief executive officer, and their associates.

Non-Executive Directors (including Independent Directors) do not exercise management functions in the Group. Although all the Directors have equal responsibility for the performance of the Group, the role of the Non-Executive Directors (including the Independent Directors) is particularly important in ensuring that the strategies proposed by the Management are fully discussed and rigorously examined, and take into account the long-term interests of not only the Shareholders but also that of the employees, customers, suppliers and the communities in which the Group conducts its business. Non-Executive Directors are also responsible for reviewing the performance of Management in meeting agreed goals and objectives, and in monitoring the reporting of performance. The NC considers the Non-Executive Directors (which currently wholly comprise of Independent Directors) to be of sufficient calibre and their respective views to be of sufficient weight such that no individual or a small group of individuals dominates the Board's decision-making process.

Non-Executive Directors (including Independent Directors) are scheduled to meet regularly, and as warranted, in the absence of key management personnel to discuss concerns or matters such as the effectiveness of Management.

Provision 2.4

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. Pursuant to the Board Diversity Policy, on an annual basis, the NC will review the appropriateness of the current Board size and composition, taking into consideration the changes (if any) in the nature and scope of operations as well as the regulatory environment of the Group and, where appropriate, makes recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that there is an appropriate composition of members of the Board with suitably diverse backgrounds to meet the Group's operational and business requirements.

The Board recognises the importance of an appropriate balance and diversity of skills, experience, gender, age, knowledge and professional qualifications in building an effective Board. For this purpose, the NC reviews the Board's collective skills matrix regularly.

The current Board comprises persons who, as a group, have the necessary core competencies in areas such as accounting, finance, business and management experience, industry knowledge, strategic planning and customer-based experience and knowledge to lead and guide the Company. The diversity of the Board's experience allows for the useful exchange of ideas and views. The profiles of all Board members are set out under the section entitled "Board of Directors" of this annual report.

The current Board composition provides a diversity of skills, experience and knowledge to the Company. Further details are set out in the table below:

Core Competencies	Number of Directors	Proportion of the Board (%)
- Accounting or finance	4	80
- Business management	5	100
- Relevant industry knowledge or experience	5	100
- Strategic planning experience	5	100
- Customer based experience or knowledge	5	100

The Independent Non-Executive Directors have met at least once without the presence of Management in FY2021 to discuss matters such as internal controls, Board processes and succession plans.

Chairman and Chief Executive Officer ("CEO")

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1 and Provision 3.2

The Board has adopted the recommendation of the Code to have separate persons appointed as Chairman and the CEO. This is to ensure an appropriate balance of power, increased accountability and greater capacity for the Board to exercise independent decision-making. The division of responsibilities between the Chairman and the CEO is clearly established, set out in writing and agreed by the Board.

The Chairman of the Board and the CEO are separate persons. Mr Sugiono, the Chairman of the Board, is not an immediate family member of, and is unrelated to, Mr Soennerstedt Carl Johan Pontus, the CEO. Mr Sugiono is a substantial shareholder of the Company.

The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual exercising any considerable power or influence. Further, the ARMC, RC and NC are chaired by Independent Non-Executive Directors.

Mr Soennerstedt Carl Johan Pontus is an Executive Director and the CEO of the Company. His responsibilities include the execution of strategic business directions as well as the overseeing of the day-to-day business operations and business development of the Group.

The Chairman is responsible for, amongst other things, exercising control over the quality, quantity and timeliness of the flow of information between the Management and the Board, and ensuring compliance with the Company's guidelines on corporate governance along with promoting high standards of corporate governance. The Chairman is also consulted on the Group's strategic direction and formulation of policies and ensures the smooth running of the Board. The Chairman performs a significant leadership role by providing clear oversight and guidance to the Management on strategy and the drive to transform the Group's businesses.

The Chairman is also responsible for, amongst other things, effectively representing the Board to the shareholders, ensuring that Board meetings are held when necessary, setting the Board meeting agenda with the assistance of the Company Secretary, acting as facilitator at Board meetings and maintaining regular dialogue with the Management on all significant operational matters. At annual general meetings and other shareholders' meetings, the Chairman ensures constructive dialogue amongst shareholders, the Board and the Management.

The Chairman promotes a culture of openness and debate at the Board level, ensuring that the Directors receive complete, adequate and timely information, and facilitates the effective contribution of Non-Executive Directors in particular.

Provision 3.3

Subsequent to the appointment of Mr Sugiono as Executive Chairman in February 2021, the Company considered the appointment of a lead independent director so as to be in compliance with Provision 3.3 of the Code. The NC is considering the appointment of Ms Wong Leng Yee Serena ("**Ms Wong**"), who is based in Singapore, as Lead Independent Director after Ms Wong has been given the opportunity to serve on the Board for a longer period of time. The Company aims to comply with Provision 3.3 of the Code in this regard but appreciates that Ms Wong may require further time to familiarise herself with the roles and responsibilities as an Independent Director and, furthermore, a Lead Independent Director.

Pending the appointment of the Lead Independent Director of the Company, shareholders will be able to contact the Chairman of the ARMC at wong.serena@wearepolaris.com where they have concerns and for which contact through the normal channels of communication with the Management are inappropriate or inadequate.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 and Provision 4.2

The NC is regulated by a set of written terms of reference and comprises five (5) members, the majority of whom, including the Chairman, are independent non-executive directors. The NC meets at least once a year. The members of the NC are as follows:

1. Masahiko Yabuki (Chairman, Independent Non-Executive Director)
2. Sugiono Wiyono Sugialam (Member, Executive Director)
3. Soennerstedt Carl Johan Pontus (Member, Executive Director)
4. Diana Airin (Member, Independent Non-Executive Director)
5. Wong Leng Yee Serena (Member, Independent Non-Executive Director)

The NC is responsible for:

a. The review of structure, size and composition of the Board and the Board Committees;
b. The review of succession plans for the Board Chairman, Directors, CEO and members of senior management;
c. The development of a transparent process for evaluating the performance of the Board, its Board Committees and Directors, including assessing whether Directors are able to commit enough time to discharge their responsibilities and the maximum number of listed company board representations which a Director may hold;
d. The review of training and professional development programmes for the Directors;
e. The appointment and reappointment of all directors (including any alternate directors, if any); and
f. The review and confirmation of the independence of each Director.

Provision 4.3

The NC is also responsible for identifying and recommending new board members to the Board, after considering the necessary and desirable competencies of the candidates which include:

a. academic and professional qualifications;
b. industry experience;
c. number of other directorships;
d. relevant experience as a director; and
e. ability and adequacy in carrying out required tasks.

The NC leads the process for board appointments and makes recommendations to the Board. The integrated process of appointment includes:

a. developing a framework on desired competencies and diversity of the Board;
b. assessing current competencies and diversity of the Board;
c. developing and ascertaining desired profiles of new directors;
d. initiating searches for new directors via personal networks and external searches, if necessary;
e. shortlisting and interviewing potential candidates;
f. recommending appointments and retirements to the Board; and
g. election at general meeting.

New Directors are appointed by way of a Board resolution following which they are subject to re-election at the next AGM.

In accordance with the Company's Constitution, one-third, or if their number is not a multiple of three (3), the number nearest to one-third of the Directors are required to retire from office by rotation at each AGM (provided that no Director holding office as managing director shall be subject to retirement by rotation or be taken into account in determining the number of Directors to retire). Newly appointed Directors will hold office only until the next AGM following their appointments and they shall be eligible for re-election. Such Directors are not taken into account in determining the number of Directors who are to retire by rotation at that meeting. In any case, pursuant to Rule 720(4), all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years.

In making recommendations for the selection, appointment and re-appointment of Directors, the NC evaluates the composition of the Board in light of the need for progressive renewal. The NC also considers the Director's competencies, commitment, contributions and performance, such as his/her attendance at meetings of the Board or Board Committees, and, where applicable, his or her preparedness, participation, candour and any other special contributions.

Each member of the NC is required to abstain from reviewing and approving his or her own re-election.

The NC has recommended to the Board that Mr Masahiko Yabuki ("**Mr Yabuki**") and Ms Diana Airin ("**Ms Airin**") be nominated for re-election at the forthcoming AGM in accordance with Regulation 86 of the Company's Constitution. The NC has also recommended to the Board that Ms Wong be nominated for re-election at the forthcoming AGM in accordance with Regulation 93 of the Company's Constitution. Mr Yabuki, Ms Diana and Ms Wong have given their consent to continue in office.

In making the recommendations, the NC considered, Mr Yabuki's, Ms Airin's and Ms Wong's (collectively, the "**Retiring Directors**") overall contributions and performance, both past and anticipated. Mr Yabuki will, upon re-election as a Director, remain as an Independent Non-Executive Director of the Company, the Chairman of the NC, and a member of the ARMC and the RC. Ms Diana will, upon re-election as a Director, remain as an Independent Non-Executive Director of the Company, the Chairman of the RC, and a member of the ARMC and the NC. Ms Wong will, upon re-election as a Director, remain as an Independent Non-Executive Director of the Company, the Chairman of the ARMC, and a member of the NC and the RC.

The key information, including their appointment dates and other listed company directorships held in the past three (3) years, of the directors who held office during the year up to the date of this report is disclosed in the table below:

Name of Director	Date of First Appointment	Date of Last Re-election	Directorships in Other Listed Companies (Present and Past Three Years)	Other Principal Commitments
Sugiono Wiyono Sugialam	25 February 2021	18 June 2021	*Present* • PT Trikomsel Oke Tbk *Past three years* Nil	• PT Global Teleshop Tbk, President Director • PT Trio Distribusi, President Director • PT Okeshop, President Director • PT Herbal Globe Natural, President Director • Crayon Digital Pte Ltd, Director • Escomindo Pte Ltd, Director
Masahiko Yabuki	5 February 2018	29 May 2020	Nil	• NUWA Robotic Japan K.K., Director • MYNZ Co., Ltd., Director
Soennerstedt Carl Johan Pontus	5 May 2016	18 June 2021	Nil	Nil
Diana Airin	8 April 2020	29 May 2020	Nil	• PT Konsultan Strategi Penjualan (Wisdom Crowd), Chief Executive Officer and Founder • Sambalauku, Founder
Wong Leng Yee Serena	16 July 2021	N/A	Nil	• Kamet Wealth Partners Pte. Ltd., Director • Kamet Capital Partners Pte Ltd, Head of Advisory

Pursuant to Rule 720(5) of the Catalist Rules, the information as required under Appendix 7F to the Catalist Rules in respect of each of the Retiring Directors is set out in on pages 49 to 54 of the Annual Report.

Provision 4.4

The NC reviews annually the declarations of independence made by the Company's Independent Non-Executive Directors based on the definition of independence in the Code. The NC has reviewed the independence of each director for FY2021 and is of the view that the Independent Directors are independent as defined in the Code and are able to exercise judgment on the corporate affairs of the Group independent of the Management.

The NC monitors and determines annually whether directors who have multiple board representations and other principal commitments give sufficient time and attention to the affairs of the Company and adequately carry out his/her duties as a Director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual Director and his/her actual conduct on the Board, in making this determination.

Provision 4.5

Currently, the NC and the Board have not determined the maximum number of listed company board representations which any Director may hold as the NC and the Board are of the view that each Director has a different work aptitude, capacity and resources, and a one-size-fits-all measurement might not be appropriate. The NC and the Board will continue to observe and will review the requirement to determine the maximum number of listed company board representations as and when necessary.

As at the date of this Annual Report, the Company does not have any alternate directors.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provision 5.1 and Provision 5.2

The NC adopts a formal system of evaluating the Board as a whole and its Board Committees every year. A performance evaluation of the Board and each Board Committee is carried out. The assessment parameters include the evaluation of the size and composition of the Board and its Board Committees, the access to information, processes and accountability, performance in relation to the discharging of its principal responsibilities, the Directors' standard of conduct and the performance of the Board Committees. Through a formal written performance evaluation of the Board and Board Committees, the Board is of the view that the Board and Board Committees operate effectively and each Director is contributing to the effectiveness of the Board and the Board Committees due to the active participation of each member during meetings.

The annual evaluation exercise provides an opportunity to obtain constructive feedback from each Director on whether the Board’s procedures and processes have allowed him/her to discharge his/her duties effectively and to propose changes which may be made to enhance the Board's effectiveness as a whole. The collated findings are reported and recommendations are made to the Board for consideration and for further improvements to help the Board to discharge its duties more effectively.

The NC is of the view that the Board has met its performance objectives for FY2021. No external facilitator was used in the evaluation process as the Board believes that the quality and objectivity of the current process and evaluations implemented are sufficient and adequate.

The NC conducts an evaluation of the performance of individual Directors annually and for re-election or re-appointment of any Director. The assessment of each Director’s performance is undertaken by the NC Chairman.

The criteria for assessment include but is not limited to the particular Director’s attendance record at meetings of the Board and Board Committees, commitment of time, intensity of participation at meetings, quality of discussions, knowledge and abilities, engagement with Management, maintenance of independence and any special contributions. For FY2021, the NC, in concurrence with the NC Chairman, is satisfied that each Director is contributing to the overall effectiveness of the Board.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.1 and Provision 6.2

The RC, regulated by a set of written terms of reference, comprises three (3) members, all of whom are Independent Non-Executive Directors. The members of the RC are as follows:

1. Diana Airin (Chairman, Independent Non-Executive Director)
2. Masahiko Yabuki (Member, Independent Non-Executive Director)
3. Wong Leng Yee Serena (Member, Independent Non-Executive Director)

The principal function of the RC is to ensure that a formal and transparent procedure is in place for fixing the remuneration packages of directors and key management personnel of the Group.

Proviso 6.3 and Provision 6.4

Under its terms of reference, the RC is responsible for reviewing and recommending a remuneration framework for the Board and the Company's key management personnel. The RC also reviews and recommends to the Board the specific remuneration packages for each Director as well as the Company's key management personnel. The aim is to build a capable and committed management team, through competitive compensation, focused management, and progressive policies which will attract, motivate and retain a pool of talented executives to meet the current and future growth needs of the Company. In discharging their duties, the members have access to advice from the human resources department and external advisors as and when they deem necessary.

To ensure that the remuneration package is competitive and sufficient to attract, retain and motivate the Directors and key management personnel, the RC also takes into consideration industry practices and norms in the compensation review. The RC as part of its review ensures that all aspects of remuneration, including and not limited to director's fees, salaries, allowances, bonuses, options, benefits-in-kind and termination terms are covered for each director and key management personnel, to ensure they are fair.

No independent consultant was engaged to advise on the remuneration of all Directors in FY2021. The RC will seek external expert advice should such a need arise.

The RC reviews the service contracts of the Company's Executive Directors and key management personnel. Service contracts for Executive Directors are for a fixed appointment period. There are no onerous compensation commitments on the part of the Company in the event of an early termination of the services of Executive Directors or key management personnel.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provision 7.1, Provision 7.2 and Provision 7.3

The remuneration policy for Executive Directors is structured to link rewards to corporate and individual performance.

Our Executive Directors' remuneration consists of a salary, bonuses and other benefits. A proportion of the remuneration for the Executive Directors is linked to performance in the form of a performance bonus. Executive Directors are paid incentives based on achievement of performance targets of their respective business units set at the beginning of the financial year. In setting the targets, due regard is given to the financial and commercial health and business needs of the Group. Executive Directors do not receive directors' fees.

The Group has also entered into letters of employment with all of the executive officers. Their compensation consists of salary, bonus and performance awards that are dependent on the performance of the Group.

The Company does not have any long-term incentive scheme or schemes involving the offer of shares or grant of options. In evaluating long-term incentives, the RC takes into consideration the costs and benefits of such schemes.

Non-Executive Directors are remunerated under a framework of fixed fees for serving on the Board and Board Committees, taking into account factors such as effort, time spent and responsibilities. Fees for Non-Executive Directors are subject to the approval of shareholders at the annual general meeting.

In setting remuneration packages, the Company takes into consideration the remuneration and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individuals.

The Company does not implement the use of contractual provisions to allow the Company to reclaim performance bonus paid in prior years to its Executive Directors and key management personnel as it is of the view that such provisions would not enhance their performance. Moreover, Executive Directors and key management personnel owe fiduciary duties to the Company and the Company should be able to avail itself of remedies against the Executive Directors in the event of a breach of fiduciary duties. In addition, the respective letters of employment allow the Company the right to pursue appropriate action against Executive Directors and key management personnel for violation of company policies and other fraudulent acts.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1 and Provision 8.3

Given the highly competitive environment it is operating in and the confidentiality attached to remuneration matters, the Company believes that fully disclosing the remuneration of each Director and the CEO would be prejudicial to its business interests. The Company has instead disclosed the remuneration of each Director and the CEO in bands of S$250,000. The aggregate value of remuneration to Directors has been disclosed on page 38 of the Annual Report.

The Company has also disclosed the remuneration of each key management personnel (who are not directors, the CEO or Executive Officers) in bands of S$200,000 below. The aggregate value of remuneration to such key management personnel has been disclosed on page 38 of the Annual Report.

A breakdown of the level and mix of remuneration paid/payable to each Director in remuneration bands of S$250,000 for FY2021 are as follows:

Remuneration Band and Name of Director	Breakdown of Remuneration in Percentage				
	Directors' fees	Salary	Bonus	Other Benefits	Total
S$250,000 and below					
Sugiono Wiyono Sugialam [(1)]	-	88.7%	-	11.3%	100%
Soennerstedt Carl Johan Pontus	-	87.4%	-	12.6%	100%
Masahiko Yabuki	100%	-	-	-	100%
Diana Airin	100%	-	-	-	100%
Wong Leng Yee Serena [(2)]	100%	-	-	-	100%

Notes:

(1) *Mr Sugiono was appointed as an Executive Director of the Company and the Executive Chairman of the Board on 25 February 2021.*

(2) *Ms Wong was appointed as an Independent Non-Executive Director of the Company on 16 July 2021.*

- *Salary comprises basic salary, payment for leave not taken, annual wage supplement and the Company's contribution towards the Singapore Central Provident Fund ("**CPF**") where applicable.*
- *Variable bonus is paid based on the Company's and the individual's performance.*
- *Other benefits include transport allowance.*

Proposed Directors' fees of up to S$75,000 for the financial year ending 31 December 2022 will be put up for shareholders' approval at the forthcoming AGM (FY2021: S$94,742).

For FY2021, the Group had identified two (2) key management personnel (each of whom is not a Director, CEO or Executive Officer of the Company). The details of remuneration paid to the key management personnel of the Group (each of whom is not a Director, CEO or Executive Officer of the Company) for FY2021 is set out below:

Name of Key Management Personnel	Designation	Breakdown of Remuneration in Percentage				Total Remuneration in Compensation Bands of S$200,000
		Salary	Bonus	Other Benefits	Total	
Dian Stefani Sugialam [(1)]	Executive Director, Mastro Luxe Pte. Ltd. (formally known as Marque Luxury Pte. Ltd.)	100%	-	-	100%	<S$200,000
Shirley Woo Pui Leng	Head of Finance	85.3%	5.4%	9.3%	100%	<S$200,000

Note:

(1) *Ms Dian Stefani Sugialam is the daughter of Mr Sugiono, an Executive Director and the Executive Chairman of the Board of the Company. Mr Sugiono is also a substantial shareholder of the Company.*

(2) *Ms Shirley Woo Pui Leng resigned on 9 February 2022.*

- *Salary comprises basic salary, payment for leave not taken, annual wage supplement and the Company's contribution towards the Singapore Central Provident Fund ("**CPF**") where applicable.*
- *Variable bonus is paid based on the Company's and the individual's performance.*
- *Other benefits include transport allowance.*

During FY2021, the Company had only two (2) key management personnel (each of whom was not a Director, the CEO or Executive Officer of the Company). The aggregate remuneration paid to these two (2) key management personnel was approximately S$166,000 for FY2021.

Provision 8.2

There were no employees who are substantial shareholders of the Company, or are immediate family members (defined in the Catalist Rules as the spouse, child, adopted child, step-child, sibling and parent) of a Director, the CEO or a substantial shareholder of the Company, and whose annual remuneration exceeded S$100,000 during FY2021.

There were no termination, retirement and/or post-employment benefits granted to the Directors, the CEO and/or key management personnel of the Company for FY2021.

There is presently no share scheme or share option scheme on unissued shares of the Company or its subsidiaries.

The Board is of the opinion that disclosing specific details on the performance conditions used to determine the Directors' remuneration would be unfavourable to its business interests as it may adversely affect talent attraction and retention due to competitive pressures in the talent market. The RC is nonetheless satisfied that all of the performance conditions used to determine the Directors' remuneration have been met.

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls to safeguard the interests of the company and its shareholders.

Provision 9.1

The Board, with the assistance of the ARMC, is responsible for the governance of risk by ensuring the adequacy and effectiveness of the system of risk management and internal controls to safeguard shareholders' interests and the Group's assets.

The ARMC monitors and assists the Board in determining the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

The details on the ARMC can be found on pages 40 to 42 of the Annual Report.

The Board, assisted by the ARMC, will:

a. ensure that the Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets;
b. determine the nature and extent of the significant risks, and the level of risk tolerance, which the Board is willing to take in achieving its strategic objectives;
c. provide oversight in the design, implementation and monitoring of the risk management framework, and system of internal controls (including financial, operational, compliance and information technology controls), including ensuring that Management puts in place action plans to mitigate the risks identified where possible;
d. review the adequacy and effectiveness of the risk management and internal controls systems annually; and
e. set and instil the appropriate risk-awareness culture throughout the Company for effective risk governance.

Provision 9.2

The Company's internal auditors conduct an annual review of the effectiveness of the Company's material internal controls, including financial, operational, compliance and information technology controls, and risk management systems at least annually to ensure the adequacy thereof. The findings of the review conducted by the internal auditors together with the review undertaken by the external auditors as part of their statutory audit are presented in their findings to the ARMC. Any material non-compliance or failures in internal controls and risk management systems and recommendations for improvements are reported to the ARMC. The ARMC also reviews the effectiveness of the actions taken by the Management on the recommendations made by the internal auditors and external auditors in this respect.

The Board recognises that it is responsible for maintaining a system of internal control to safeguard shareholders' investments and the Group's businesses and assets, while Management is responsible for establishing and implementing the internal control procedures in a timely and appropriate manner. The role of the internal auditor is to assist the ARMC in ensuring that the controls are effective and functioning as intended, to undertake investigations as directed by the ARMC and to conduct regular in-depth audits of high risk areas.

The Board notes that the system of risk management and internal controls established by the Management provides reasonable but not absolute assurance that the Group will not be significantly affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgment in decision-making, human error, losses, fraud or other irregularities.

The Board has received written assurance from the CEO and the interim head of finance, who is engaged on a contract basis (the "**Consultant**"), that:

(i) the financial records have been properly maintained and the financial statements for FY2021 give a true and fair view in all material respects of the Company's operations and finances; and

(ii) the Group's risk management and internal control systems are adequate and operating effectively in all material respects given its current business operations.

Based on the risk management processes and policy framework, internal controls system established and maintained by the Group, reviews performed by the various Board Committees and key management personnel, work performed by the external auditors and internal auditors, and the assurances from the CEO and the Consultant, the Board, with the concurrence of the ARMC, is of the opinion that the Group's internal controls and risk management systems are adequate and effective in addressing the financial, operational, compliance and information technology risks of the Group as at 31 December 2021.

The Company is currently looking to appoint a financial controller to manage the day-to-day accounting and finance operations of the Group.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

Provision 10.2

The ARMC, regulated by a set of written terms of reference, comprises three (3) members, all of whom are Independent Non-Executive Directors. Other directors are invited to attend ARMC meetings as and when appropriate. The members of the ARMC are as follows:

1. Wong Leng Yee Serena (Chairman, Independent Non-Executive Director)
2. Masahiko Yabuki (Member, Independent Non-Executive Director)
3. Diana Airin (Member, Independent Non-Executive Director)

The members of the ARMC each have expertise or experience in financial management and are qualified to discharge the ARMC's responsibilities objectively.

Provision 10.3

There is no former partner or director of the Company's existing auditing firm or auditing corporation who is acting as a member of the Company's ARMC.

Provision 10.1

The ARMC has full access to and the full co-operation of Management. It also has the discretion to invite any Director or Executive Officer to attend its meetings. The ARMC also has the power to conduct or authorise investigations into any matters within its terms of reference.

The ARMC meets periodically to perform the following functions:

a. review the audit plans of the external auditors of the Company, and review the external auditors' evaluation of the adequacy of the Company's system of internal accounting controls, their letter to Management and Management's response;
b. review the half year and annual financial statements and balance sheet and profit and loss accounts before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Catalist Rules and any other relevant statutory or regulatory requirements;
c. review the assurances from the CEO and the Consultant on the financial records and financial statements;
d. review the internal control procedures and the adequacy of the Group's internal controls and ensure co-ordination between the external auditors and Management, and review the assistance given by Management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of Management, where necessary);
e. review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and Management's response;
f. review the cost effectiveness and the independence and objectivity of the external auditors;
g. recommend to the Board the external auditors to be nominated, approve the compensation of the external auditors, and review the scope and results of the audit;
h. review interested person transactions (if any) falling within the scope of Chapter 9 of the Catalist Rules;
i. review potential conflicts of interest, if any;
j. undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the ARMC;
k. undertake generally such other functions and duties as may be required by the legislation, regulations or the Catalist Rules, or by such amendments as may be made thereto from time to time;
l. meet with external auditors, Management and any others considered appropriate in separate executive sessions to discuss any matters that the ARMC believes should be discussed privately and establish a practice to meet with external auditors without the presence of Management at least once annually;
m. review the nature and extent of all non-audit services provided by the Group's external auditors, if any, and determine if such services would affect the independence of the external auditors;
n. review and report to the Board at least annually the adequacy and effectiveness of the company's internal controls, including financial, operational, compliance and information technology controls;
o. review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;
p. make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors; and
q. review the effectiveness, independence, scope and results of the external audit and the Company's internal audit function.

Apart from the duties listed above, the ARMC is given the task of commissioning investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Company's operating results or financial position, and to review its findings. The ARMC has full access to and the co-operation of Management and the full discretion to invite any Director or Executive Officer to attend its meetings, and has reasonable resources to enable it to discharge its functions properly.

The external auditors have unrestricted access to the ARMC.

The ARMC is responsible for reviewing the audit reports from the internal auditors and external auditors and assists the Board in overseeing the Management in the formulation, updating and maintenance of an adequate and effective risk management framework and internal controls.

The ARMC recommends to the Board on proposals to shareholders on the appointment, re-appointment and removal of the external auditors and approving the remuneration of the external auditors.

The ARMC is kept updated from time to time and at least annually on any changes to the accounting and financial reporting standards with trainings conducted by professionals or the external auditors; and will discuss such changes, if any, with management and the auditors on the impact to the financial statements.

In the review of the financial statements for FY2021, the ARMC had discussed with the Management and the external auditors on the significant issues and assumptions that impact the financial statements. The ARMC concluded that the Group's accounting treatment and estimates in each of the significant matters were appropriate. All the key audit matters ("**KAMs**") that were raised by the external auditors for FY2021 have been addressed by the ARMC. The KAMs in the auditors' report for FY2021 can be found on pages 58 and 59 of the Annual Report.

Provision 10.5

The ARMC will meet with the external auditors and internal auditors without the presence of the Management as and when necessary and at least annually, to review the adequacy of audit arrangements, with emphasis on the scope and quality of their audit as well as the independence, objectivity and observations of the external auditors.

In FY2021, the ARMC met with Moore Stephens LLP, the Company's external auditors (the "**External Auditors**") once in the absence of key management personnel.

External Auditors

The Company and its Singapore-based subsidiaries are audited by Moore Stephens LLP. The ARMC has conducted an annual review of the performance of the External Auditor, taking into consideration the Audit Quality Indicators Disclosure Framework recommended by ACRA as a reference.

The Group's subsidiaries based in the United States of America, being Marque Luxury America LLC, MLuxury Nevada LLC and MLuxury Texas LLC, were audited by RJI International CPAs. Certain of the Group's foreign subsidiaries, namely, Connetic-Enterprises Inc. (based in the Philippines), Marque Luxury Korea Co., Ltd. (based in South Korea), Marque Luxury Vietnam Company Limited (based in Vietnam), and Marque Luxury (Thailand) Co., Ltd (based in Thailand), were not audited as at the date of this annual report as they are considered to be insignificant components to the Group for FY2021 but were reviewed by the Company's external auditor, Moore Stephens LLP for group consolidation purposes.

The ARMC also undertook a review of the independence and objectivity of the External Auditors through discussions with the External Auditors and is satisfied that Moore Stephens LLP has demonstrated appropriate qualifications and expertise, and is independent of the Company. The ARMC had also reviewed the non-audit services provided by the External Auditors in FY2021 and is satisfied that the nature and extent of such services would not prejudice the independence of the External Auditor. The aggregate amount of audit fees and non-audit fees paid/payable to the External Auditors in FY2021 were S$120,000 and S$10,000, respectively. The ARMC is satisfied with the independence of the External Auditors and is not aware of any matter that would affect the independence of the External Auditors.

Accordingly, the ARMC has recommended to the Board the re-appointment of Moore Stephens LLC as the external auditors of the Company at the forthcoming AGM. In appointing the audit firms for the Group, the Board and the ARMC are satisfied and confirm that the Group has complied with Rule 712 and Rule 715 of the Catalist Rules.

Provision 10.4

Internal Audit

Currently, the Group has outsourced its internal audit function to In.Corp Business Advisory Pte. Ltd. (formerly known as Ardent Business Advisory Pte. Ltd.) (the "**IA**" or "**In.Corp**") which reports directly to the ARMC. The IA has an administrative reporting function to Management where the planning, co-ordinating, managing and implementing of the internal audit work cycle are concerned. The work undertaken by the IA is carried out in accordance with the standards set by internationally recognised professional bodies including Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The IA will report their audit findings and recommendations directly to the ARMC. The IA has unfettered access to all the Group's documents, records, properties and personnel, including access to the ARMC.

In.Corp was established in 2008 by a team of qualified Chartered Accountants of Singapore. Their scope of services covers that of audit, tax, accounting, business advisory, outsourcing, corporate recovery, risk and governance, company incorporation, IT infrastructure and solutions. In.Corp is also a member of Kreston International, a global network of independent accounting firms.

In.Corp's engagement team is headed by a partner, Mr Sarjit Singh, who has over 20 years of experience in audit and advisory services. He has led the Risk Assurance practice at In.Corp over the past 6 years and has extensive experience in a broad range of assurance and advisory services including corporate governance, enterprise risk management, internal audit, risk assurance, financial due diligence and regulatory advice. Prior to In.Corp, he was a Chief Financial Officer of international insurance firms and has 16 years with one of the big four auditing firms. He is a Chartered Accountant, a fellow of the Institute of Singapore Chartered Accountants ("**ISCA**") and a member of the Institute of Internal Auditors Singapore ("**IIA**"). The second engagement team member is an IT Director with 16 years of experience in IT audit and advisory and IT Infrastructure for multinationals, public sector and small and medium-sized enterprises, and a Cisco Certified Network Associate, Microsoft Certified IT Professional and Network Security Basic Administration with Sonicwall. The third member is an Associate Director in the risk assurance practice at In.Corp. She has 14 years of experience in the audit profession and has been involved on various internal audits of government ministries and statutory boards and private sector organisations. She is a Chartered Accountant, Certified Internal Auditor and a member of ISCA, IIA and Information Systems Audit and Control Association. The team is accordingly made up of qualified and experienced professionals and adheres to the International Professional Practices Framework issued by the IIA.

In FY2021, the ARMC met with the IA once in the absence of key management personnel.

For FY2021, the ARMC has reviewed and approved the internal audit plan to ensure the adequacy of the scope of audit, the IA's reports, proposed follow-up actions implemented by the Management and has noted that the necessary co-operation required from the Management has been provided to enable the IA to perform its function effectively. In addition, the experience of the IA (including its assigned engagement personnel) has been reviewed, and the ARMC is satisfied that the IA is adequately qualified (given, *inter alia*, its adherence to standards set by internationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively and independently. As such, the ARMC is of the view that the internal audit function of the Company is independent, effective and adequately resourced for FY2021.

The IA has submitted a report dated 20 December 2021 to the ARMC, reporting, *inter alia*, that (i) having performed the system review procedures of the Company's internal controls and (ii) save for certain matters highlighted to the Company which have been duly noted by Management, based on their review of the adequacy and effectiveness of the Company's system of internal controls and measures, they did not identify any significant deficiencies or non-compliance of controls or measures implemented by Management under such procedures and systems.

Based on the internal audit reports and management controls in place, the ARMC is satisfied that the internal control systems (including financial, operational, compliance and information technology controls) provide reasonable assurance that assets are safeguarded, that proper accounting records are maintained and financial statements are reliable. In the course of their statutory audit, the Company's External Auditors will highlight any material internal control weaknesses which have come to their attention in carrying out their normal audit, which is designed primarily to enable them to express their opinion on the financial statements. Such material internal control weaknesses noted during their audit and recommendations, if any, by the External Auditors are reported to the ARMC.

The ARMC recognises its responsibility of establishing and maintaining, on an ongoing basis, an effective internal audit function that is adequately resourced and independent of the activities it audits.

Whistle-Blowing Policy

The Company has put in place a whistle-blowing process and has implemented a whistle-blowing policy for the Group. Details of the whistle-blowing policy and arrangements have been made available to all employees in the Polaris Employee Handbook dated 31 December 2021, as well as via internal emails and bulletin boards. Such policy serves to encourage and provide a channel for staff to report, in good faith and without fear of reprisals, concerns about possible improprieties in financial reporting, bullying behaviour and other matters of the Group. All concerns can be reported to the Chairman of the ARMC which will then be forwarded to the Executive Chairman and the members of the ARMC. They will assess whether action or review is required.

The Group's whistle-blowing policy has a well-defined process which ensures independent investigation of issues/concerns raised and appropriate follow up action to be taken. Whistle-blowers may reach out to the ARMC at whistleblow@wearepolaris.com. The ARMC will assess whether action or review is required and it is responsible for investigating and coordinating corrective action. All information received will be treated confidentially and the identity and the interest of all whistle-blowers will be protected. Anonymous disclosures will be accepted and requests for anonymity will be honoured.

The Company will not retaliate against a whistle-blower and seeks to ensure that the whistle-blower is protected from retaliation in its various forms, including but not limited to adverse employment actions such as termination, a decrease in compensation, or poor work assignments and threats of physical harm. Any whistle-blower who believes he/she is being retaliated against can contact the ARMC immediately.

No whistle-blowing letter or complaint was received in FY2021.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder rights and conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1

The Company does not practice selective disclosure. In line with the continuous obligations of the Company under the Catalist Rules and the Companies Act, the Board's policy is that all shareholders should equally and on a timely basis be informed of all major developments that impact the Group via the Singapore Exchange Network (the "**SGXNET**").

Accountability to shareholders is demonstrated through the presentation of the Group's unaudited half year and full year financial statements, audited results in the annual reports, sustainability reports and all announcements on the Group's businesses and operations.

The Management provides the Board with appropriately detailed management accounts of the Company's performance, position and prospects on a half-yearly basis and when deemed appropriate by particular circumstances.

The Board also takes adequate steps to ensure compliance with legislative and regulatory requirements and observes obligations of continuing disclosure under the Catalist Rules. For example, in line with the Catalist Rules, the Board provides a negative assurance statement to the shareholders in respect of the interim financial statements.

The Management maintains regular contact and communication with the Board by various means including the preparation and circulation to all Board members of half year and full year financial statements of the Group. This allows the Board to monitor the Group's performance as well as Management's achievements of the goals and objectives determined and set by the Board.

The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the proposed resolutions and/or ask the directors or the Management questions regarding the Company and its operations. Shareholders are informed of the rules, including voting procedures, that govern general meetings of shareholders.

Shareholders usually have the opportunity to participate in and to vote at annual general meetings either in person or in absentia by proxy. The Company's Constitution allows a shareholder to appoint up to two (2) proxies to attend and vote in his or her place at general meetings. A shareholder who is a relevant intermediary pursuant to Section 181 of the Companies Act may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder.

The Company's Constitution does not expressly allow for other methods for voting in absentia at general meetings of shareholders such as voting via mail, e-mail or fax.

However, due to the ongoing COVID-19 situation, shareholders will be able to participate in the upcoming AGM via a live audio and video webcast and are required to appoint the Chairman as proxy to vote on their behalf. Further details concerning the AGM, including but not limited to the manner of submission of shareholder queries and instructions on voting, are included in the notice of AGM.

Provision 11.2

Resolutions to be passed at general meetings are always separate and distinct in terms of issues and are consistent with the Code's guideline that companies should avoid "bundling" resolutions unless the resolutions are interdependent and linked so as to form one significant proposal.

Provision 11.3

All Directors attended the annual general meeting for FY2020 held on 18 June 2021.

Provision 11.4

The Company adheres to the requirements of the Catalist Rules and the Code whereby all resolutions at the Company's general meetings held on or after 1 August 2015 are put to vote by poll. The voting of the resolutions at the general meetings is conducted by electronic polling for greater transparency in the voting process. The detailed voting results of each of the resolutions tabled are announced on the same day after the meetings. The total numbers of votes cast for and against the resolutions are also announced after the meetings via SGXNET.

Each item of special business included in the notice of the general meetings will be accompanied by an explanation of the effects of the proposed resolution. Separate resolutions are proposed for each substantially separate issue at general meetings.

Provision 11.5

The Company prepares minutes of general meetings which includes key comments and queries from shareholders relating to the agenda of the meetings, and responses from the Board and Management. Pursuant to the alternative arrangements for general meetings of companies as prescribed under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**") and in accordance with Provision 11.5 of the Code, the Company's minutes of general meetings will be published on SGXNET and the Company's website within one (1) month of the relevant meeting.

In general meetings, shareholders are given the opportunity to communicate their views and direct questions regarding the Company to Directors and Management. The Chairman of the Board and the respective Chairmen of the ARMC, NC and RC are normally present and available to address questions from shareholders at general meetings. The external auditors are also present to address shareholders' queries on the conduct of audit and the preparation and content of the Independent Auditors' report. As indicated above, in view of the unique circumstances brought about by the ongoing COVID-19 pandemic, shareholders should refer to the notice of AGM for details on, *inter alia*, the manner of submission of shareholder queries for the purposes of the upcoming AGM.

The Company's forthcoming AGM will be held on 29 June 2022, notice of which is set out on pages 124 to 128 of this Annual Report.

Due to the COVID-19 pandemic, the Company is conducting its upcoming AGM by way of electronic means in accordance with the Order and guidelines on alternative meeting arrangements issued by the SGX-ST. All documents related to the AGM are also made available on SGXNET and the Company's website with clear instructions to shareholders on the procedures for them to participate at the virtual AGM.

Provision 11.6

The Group does not have a formal dividend policy at present. The form, frequency and amount of dividends declared each year, if any, will take into consideration the Group's profit, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. No dividends were declared or recommended for FY2021 as the Group does not have profits available for the declaration of a dividend. The Board continues to monitor the financial position of the Company and will propose dividends at the appropriate time in the best interest of the shareholders.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1, Provision 12.2 and Provision 12.3

The Board welcomes the views of shareholders on matters affecting the Group, whether at the general meetings of shareholders or on an ad-hoc basis. At general meetings, shareholders will be given the opportunity to express their views and ask Directors or the Management questions regarding the Group.

Shareholders are informed of general meetings through announcements released via the SGXNET. Additionally, annual reports are prepared and issued to all shareholders within the mandatory period. Notices of shareholders' meetings are advertised in a newspaper in Singapore and via SGXNET. The annual general meeting is held within four (4) months after the close of the financial year, other than on occasions where authorities' approval for extension is sought.

Shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to stay informed of the Group's strategies and growth plans. Notice of the general meeting is issued to shareholders, together with explanatory notes or a circular on items of special businesses (if necessary), providing at least 14 or 21 days' notice in writing, as the case may be (exclusive both of the day on which the notice is served or deemed to be served and of the day for the holding of the meeting). The Board welcomes questions from shareholders who wish to raise issues, whether informally or formally and before or during the general meetings.

A shareholder who is not a "relevant intermediary" may appoint up to two (2) proxies during his absence to attend, speak and vote on his behalf at general meetings, provided that a shareholder holding management shares may appoint more than two (2) proxies in respect of the management shares held by him. Shareholders who are "relevant intermediaries" such as banks, capital markets services licence holders which provide custodial services for securities and the CPF Board, are allowed to appoint more than two (2) proxies to attend, speak and vote at general meetings. This will enable indirect investors, including CPF investors, to be appointed as proxies to participate at shareholders' meetings.

The Company does not practice selective disclosure. Price sensitive information is first publicly released through the SGXNET before the Company meets with any investors or analysts. In line with continuous obligations of the Company pursuant to the Catalist Rules and the Companies Act, the Board's policy is that all shareholders should be equally and timely informed of all major developments that will impact the Company or the Group. Information is communicated to shareholders on a timely basis through the SGXNET and/or the press. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly via SGXNET as soon as practicable.

Shareholders can access financial information, corporate announcements, press releases, annual reports (including sustainability reports) and the profile of the Group at the Company's website at http://www.wearepolaris.sg. The website also contains a dedicated section on "Investor Relations" to further enhance communication with investors or other stakeholders, and sets out an email address through which shareholders may contact the Company with questions and through which the Company may respond to such questions.

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1

The Company has a materiality assessment process to identify the key stakeholders who have direct influence on the business and operations which includes, but is not limited to, customers, employees, shareholders and investors, suppliers, business partners and Government and regulators. The Company continuously seeks to improve communication with its stakeholders via various engagement platforms and communication channels.

Provision 13.2

Key concerns of stakeholders and the Company's strategies in relation to the management of stakeholder relationships are reported on in the Company's Sustainability Report for the financial year ended 31 December 2021 (the "**Sustainability Report 2021**") on pages 8 to 24 in the Annual Report.

Provision 13.3

Stakeholders can also access the Sustainability Report 2021 and other relevant information such as financial information, corporate announcements, annual reports and the profile of the Group via the Company's website at http://www.wearepolaris.sg.

(F) DEALINGS IN COMPANY'S SECURITIES

The Company has adopted internal practices in relation to dealings in the Company's securities pursuant to Rule 1204(19) of the Catalist Rules that are applicable to all its officers. The Company and its officers are not allowed to deal in the Company's securities on short term considerations and in circumstances where they are in possession of unpublished price-sensitive information of the Group, and during the period commencing one (1) month before the announcement of the company's half year and full year financial statements.

Directors and officers are required to observe insider trading provisions under the Securities and Futures Act 2001 of Singapore at all times even when dealing in the Company's securities within the permitted trading periods.

Directors of the Company are required to report all dealings to the Company Secretary.

(G) INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported on in a timely manner to the ARMC and that such transactions are carried out on normal commercial terms and would not be prejudicial to the interests of the Company and its minority shareholders.

There were no material interested person transactions during FY2021 requiring disclosure pursuant to the Catalist Rules.

The Company does not have any existing general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules.

(H) MATERIAL CONTRACTS

Save for the service agreement entered into between the Executive Director and CEO and the Company on 1 March 2021 and the service agreement entered into between the Executive Director and Executive Chairman and the Company on 25 February 2021, respectively, which are still subsisting as at the end of FY2021, there were no material contracts entered into by the Company and/or its subsidiaries involving the interests of the CEO, each director or controlling shareholder, which were either still subsisting at the end of FY2021 or if not then subsisting, entered into since the end of the previous financial year.

(I) USE OF PROCEEDS

There were no outstanding proceeds raised from IPO or any offerings pursuant to Chapter 8 of the Catalist Rules at the end of FY2021 and no such proceeds have been raised since the end of the previous financial year.

(J) NON-SPONSOR FEES

The Company's Sponsor, Stamford Corporate Services Pte. Ltd., has not rendered any non-sponsorship services to the Company for FY2021. Accordingly, no non-sponsor fees were paid to the Sponsor for FY2021.

APPENDIX 7F TO THE CATALIST RULES: ADDITIONAL INFORMATION REQUIRED PURSUANT TO RULE 720(5) IN RELATION TO A DIRECTOR SEEKING RE-ELECTION

The following additional information on the Retiring Directors, who are seeking re-election as Directors at the forthcoming AGM, is to be read in conjunction with their profiles in this Annual Report.

Name of Person	Masahiko Yabuki	Diana Airin	Wong Leng Yee Serena
Date of last announced disclosure pursuant to Appendix 7F to the Catalist Rules ("**Previous Announcement**")	11 April 2020	11 April 2020	16 July 2021
Any changes to the disclosure required pursuant to Appendix 7F to the Catalist Rules since the Previous Announcement	Yes	Yes	No
Changes to the Previous Announcement, if applicable			
Date of Appointment	5 February 2018	8 April 2020	16 July 2021
Date of Last Re-Appointment	28 May 2020	28 May 2020	Not applicable
Age	62	49	45
Country of principal residence	Japan	Indonesia	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Yabuki as Independent Non-Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after the assessment of his qualifications and past experience.	The re-election of Ms Airin as Independent Non-Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after the assessment of her qualifications and past experience.	The re-election of Ms Wong as Independent Non-Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after the assessment of her qualifications and past experience.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director, Chairman of the Nominating Committee, Member of the Audit and Risk Management Committee and the Remuneration Committee	Independent Non-Executive Director, Chairman of the Remuneration Committee, Member of the Audit and Risk Management Committee and the Nominating Committee	Independent Non-Executive Director, Chairman of the Audit and Risk Management Committee, Member of the Nominating Committee and the Remuneration Committee
Academic qualifications	Degree in Economics from Kobe University of Commerce	Bachelor in Economics from University Tarumanagara	Master of Business Administration from Tuck School of Business at Dartmouth, Dartmouth College Bachelor of Social Science with Honors in Psychology from National University of Singapore

Working experience and occupation(s) during the past 10 years	Dec 2015 – Present: CEO of MYNZ Co., Ltd. (consultancy service and business development) Dec 2015 - Dec 2017: CEO and President of CloudMinds Japan K.K. (business development) Nov 2004 - Oct 2015: Director, Corporate Officer, SVP of Softbank Group (business development)	Oct 2019 – Present PT Konsultan Strategi Penjualan (Wisdom Crowd), Chief Executive Officer and Founder October 2019 – Present Sambalauku, Founder of business run in personal name September 2018 - July 2019 PT Benten Media Global Televisi (MYTV), Managing Director May 2017 - August 2018 PT Kapanlagi Network (Kapanlagi.com), Chief Commercial Officer, Sales Director January 2009 - April 2017 1. PT Media Nusantara Citra Tbk ("PT MNC Tbk"), Director (2016-2017) 2. PT MNC Televisi Network (INEWS TV), (previously known as PT Sun Televisi Indonesia), member of PT MNC Tbk, Deputy CEO (2016-2017) 3. PT MNC Okezone Network (OKEZONE.COM), member of PT MNC Tbk, Deputy CEO (2016-2017) 4. PT MNC Sky Vision (MNC Channel), member of PT MNC Tbk, CEO (2016-2017) 5. Sindo Media, member of PT MNC Tbk, Chief Executive Officer (2013-2016) 6. PT Media Nusantara Infomasi (Koran Sindo), member of PT MNC Tbk, Sales and Marketing Director (2009-2013)	January 2019 – Present Kamet Capital Partners Pte Ltd, Head of Advisory August 2008 – November 2018 J.P. Morgan Singapore Executive Director
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Nil

Any relationship (including immediate family relationships) with any existing director, existing executive director, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
** "Principal Commitments" has the same meaning as defined in the Code.* *# These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)*			
Past (for the last 5 years)	CloudMinds Japan K.K.	PT Benten Media Global Televisi (MYTV), Managing Director PT Kapanlagi Network (Kapanlagi.com), Chief Commercial Officer, Sales Director PT Media Nusantara Citra Tbk, Director	Nil
Present	MYNZ Co., Ltd.	PT Konsultan Strategi Penjualan (Wisdom Crowd), Chief Executive Officer and Founder Sambalauku, Founder	Kamet Wealth Partners Pte. Ltd., Director Kamet Capital Partners Pte Ltd, Head of Advisory
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No

(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No

(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management of conduct, in Singapore or elsewhere, of the affairs of:- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No

(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Any prior experience as a director of a listed company?			
If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the Nominating Committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable. Mr Yabuki is nominated for re-election to the Board.	Not applicable. Ms Airin is nominated for re-election to the Board.	Not applicable. Ms Wong is nominated for re-election to the Board. Ms Wong has attended the relevant courses on the roles and responsibilities of a director of a listed company conducted by SID in 2021. Further details are provided on page 28 of this Annual Report.

DIRECTORS' **STATEMENT**

For the Financial Year ended 31 December 2021

The directors present their statement to the members together with the audited consolidated financial statements of Polaris Ltd. (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2021 and the statement of financial position of the Company as at 31 December 2021.

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1 Directors

The directors of the Company in office at the date of this statement are:

Sugiono Wiyono Sugialam	*(Executive Director & Executive Chairman)* (Appointed on 25 February 2021)
Soennerstedt Carl Johan Pontus	*(Executive Director & Chief Executive Officer)*
Masahiko Yabuki	*(Independent Non-Executive Director)*
Diana Airin	*(Independent Non-Executive Director)*
Wong Leng Yee Serena	*(Independent Non-Executive Director)* (Appointed on 16 July 2021)

2 Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

3 Directors' Interests in Shares or Debentures

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, 1967, the directors of the Company who held office at the end of the financial year ("FY") had no interests in the shares or debentures of the Company and its related corporations except as stated below.

	Direct interest		Deemed interest	
Name of director(s)	At the beginning of FY	At the end of FY	At the beginning of FY	At the end of FY
	No. of ordinary shares '000		*No. of ordinary shares '000*	
Polaris Ltd.				
Sugiono Wiyono Sugialam	326,004	326,004	10,469,189	10,469,189

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2022.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares or debentures of the Company and its related corporations, either at the beginning of the financial year or at the end of the financial year.

4 Share Options

There were no share options granted during the financial year to subscribe for unissued shares of the Company and/or its subsidiaries.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company and/or its subsidiaries.

There were no unissued shares of the Company and/or its subsidiaries under option at the end of the financial year.

5 Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC") comprises the following directors at the date of this statement:

Serena Wong (Chairman)
Masahiko Yabuki
Diana Airin

The ARMC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, 1967, the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance and assists the Board of Directors in the execution of its corporate governance responsibilities within its established terms of reference.

The duties of the ARMC, amongst other things, include:

(a) review the audit plans of the internal and external auditors of the Company, and review the internal auditors' evaluation of the adequacy of the Group's/Company's system of internal accounting controls and the assistance given by the Group's/Company's management to the external and internal auditors;

(b) review the half yearly announcement of financial statements and annual financial statements and the auditors' report on the annual consolidated financial statements of the Company and its subsidiaries before their submission to the Board of Directors;

(c) review the effectiveness of the Group's/Company's material internal controls, including financial, operational, compliance and information technology controls and risk management via reviews carried out by the internal auditors;

(d) meet with the external and internal auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARMC;

(e) review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;

(f) review the cost effectiveness and the independence and objectivity of the external auditors;

(g) review the nature and extent of non-audit services provided by the external auditors;

(h) recommend to the Board of Directors the external auditors to be nominated, approve the compensation of the external auditors and review the scope and results of audit;

5 Audit and Risk Management Committee (cont'd)

(i) report actions and minutes of the ARMC to the Board of Directors with such recommendations as the ARMC considers appropriate;

(j) review interested person transactions in accordance with the requirements of the Listing Manual Section B: Rules of Catalist of the SGX-ST; and

(k) undertake such other functions and duties as may be agreed to by the ARMC and the Board of Directors.

The ARMC has undertaken a review of the nature and extent of non-audit services provided by the external auditors, and is satisfied that there were no non-audit services rendered that would affect the independence and objectivity of the external auditors.

The ARMC has recommended to the Board of Directors that the auditors, Moore Stephens LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

Further details regarding the ARMC are disclosed in the Report on Corporate Governance included in the Company's Annual Report.

6 Independent Auditors

The auditors, Moore Stephens LLP, have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors,

……………………………………..
Soennerstedt Carl Johan Pontus
Executive Director & Chief Executive Officer

……………………………………..
Sugiono Wiyono Sugialam
Executive Director & Executive Chairman

Singapore

6 June 2022

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Polaris Ltd. (the "Company") and its subsidiaries (collectively the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Loss allowance for trade receivables We refer to Note 4(b)(i), Note 16, Note 18 and Note 28(a). As at 31 December 2021, the carrying amount of the Group's trade receivables amounted to S$3,226,000. The collectability of trade receivables is a key element of the Group's working capital management, and is managed on an ongoing basis by management. The Group determines the expected credit loss ("ECL") of trade receivables by making a debtor-specific assessment of expected impairment losses for overdue trade receivables and uses a provision matrix for the remaining trade receivables that is based on the Group's historical observed default rates, customers' ability to pay, adjusted with forward-looking information. The assessment of correlation between historical observed default rates, forecast economic conditions and expected credit losses require management to exercise significant judgement. Accordingly, we determined this as a key audit matter.	**Our response** We obtained an understanding of the credit policy of the Group and evaluated the process for monitoring of trade receivables. We reviewed the Group's control over the receivables collection processes, analysed the aging of trade receivables and reviewed the Group's loss allowance against trade receivables and its disclosures about the degree of estimation involved in arriving at the expect credit loss. **Our findings** Based on our audit procedures, we found management's assessments of the ECL to be reasonable and the disclosures to be appropriate.

(cont'd)

Key Audit Matters (cont'd)

Key Audit Matter	**How our audit addressed the key audit matter**
Loss allowance for inventories We refer to Note 4 (b)(ii) and Note 17. As at 31 December 2021, the carrying amount of the Group's inventories amounted to S$2,873,000. Inventories are stated at the lower of cost and net realisable value. Reviews are made periodically by management for excess inventories, obsolescence and decline in net realisable value below cost. This assessment requires the exercise of significant judgement as the allowances are made based on historical obsolescence and slow-moving history. Key factors considered include the nature of the inventory, its ageing, shelf life and turnover rate.	**Our response** We designed and performed the following key procedures, amongst others: - We checked and analysed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventories obsolescence. - We evaluated management's process in determining the write down of inventory, taking into consideration inventory ageing, physical condition of the inventories, past and expected future sales. - We evaluated and tested management's assessment of inventories to state them at the lower of cost and net realisable value. **Our findings** Based on our audit procedures, we found the estimates used by management in deriving the write down for inventory obsolescence to be within a reasonable range.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

(cont'd)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

(cont'd)

Auditor's Responsibility for the Audit of the Financial Statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr Neo Keng Jin.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore

6 June 2022

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For the Financial Year ended 31 December 2021

	Note	Group 2021 S$'000	Group 2020 S$'000
Revenue	5	53,441	32,793
Cost of sales		(41,976)	(29,802)
Gross profit		11,465	2,991
Other items of income:			
Interest income	6	-	225
Other income	7	1,094	988
Other items of expense:			
Marketing and distribution		(1,502)	(235)
Administrative expenses		(9,756)	(2,805)
Finance costs	8	(565)	(269)
Other expenses	9	(989)	(1,115)
Share of results of associate, net of tax		-	(46)
Loss before income tax	10	(253)	(266)
Income tax expense	11	(130)	(63)
Loss for the year		(383)	(329)
Attributable to:			
Equity holders of the Company		(394)	(328)
Non-controlling interests		11	(1)
Total loss for the year		(383)	(329)
Other comprehensive (loss)/ income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation		(43)	3
Other comprehensive (loss)/ income for the year		(43)	3
Total comprehensive loss for the year		(426)	(326)
Attributable to:			
Equity holders of the Company		(437)	(325)
Non-controlling interests		11	(1)
Total comprehensive loss for the year		(426)	(326)
Loss per share attributable to equity holders of the Company:			
Basic and diluted (cents per share)	12	(0.002)	(0.002)

The accompanying notes form an integral part of these financial statements

STATEMENTS OF **FINANCIAL POSITION**

As at 31 December 2021

	Note	Group 2021 S$'000	Group 2020 S$'000	Company 2021 S$'000	Company 2020 S$'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	13	4,056	4,585	3,571	3,746
Investments in subsidiaries	14	-	-	-*	-*
Goodwill	14(d)	47	-	-	-
Other financial assets	15	-	-	-	-
Other receivables	16	-	-	-	4,732
		4,103	4,585	3,571	8,478
Current Assets					
Trade and other receivables	16	1,773	6,865	9,497	5
Contract assets	5	-	188	-	-
Inventories	17	2,873	2,831	-	-
Prepayments		47	91	3	11
Cash and bank balances	19	2,102	4,489	242	1,847
		6,795	14,464	9,742	1,863
Assets of disposal group classified as held-for-sale	18	25,088	2,184	-	1,372
		31,883	16,648	9,742	3,235
Total Assets		**35,986**	**21,233**	**13,313**	**11,713**
LIABILITIES AND EQUITY					
Current Liabilities					
Loans and borrowings	20	781	562	417	172
Trade and other payables	21	1,145	2,064	4,064	2,712
Other liabilities	22	406	677	159	241
Provision for income tax		-	63	-	-
		2,332	3,366	4,640	3,125
Liabilities directly associated with disposal group classified as held-for-sale	18	14,827	964	-	964
		17,159	4,330	4,640	4,089
Non-Current Liabilities					
Loans and borrowings	20	3,081	2,849	3,076	2,496
Total Liabilities		20,240	7,179	7,716	6,585
Equity Attributable to Equity Holders of the Company					
Share capital	23(a)	402,747	402,747	402,747	402,747
Foreign currency translation reserve	23(b)	(513)	(470)	-	-
Accumulated losses		(388,694)	(388,300)	(397,150)	(397,619)
		13,540	13,977	5,597	5,128
Non-controlling interests	24	2,206	77	-	-
Total Equity		15,746	14,054	5,597	5,128
Total Liabilities and Equity		**35,986**	**21,233**	**13,313**	**11,713**

* Less than S$1,000.

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the Financial Year ended 31 December 2021

	Note	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
		← Attributable to equity holders of the Company			→		
Group							
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 loss		-	(43)	-	(43)	-	(43)
Total comprehensive income/(loss) for the year		-	(43)	(394)	(437)	11	(426)
Acquisition of subsidiaries and business		-	-	-	-	(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
Balance at 1 January 2020		402,747	(473)	(387,972)	14,302	29	14,331
Loss for the year		-	-	(328)	(328)	(1)	(329)
Other comprehensive income		-	3	-	3	-	3
Total comprehensive income/(loss) for the year		-	3	(328)	(325)	(1)	(326)
Acquisition and incorporation of subsidiaries		-	-	-	-	69	69
Dividend paid to non-controlling interests		-	-	-	-	(20)	(20)
Balance at 31 December 2020		402,747	(470)	(388,300)	13,977	77	14,054

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF **CASH FLOWS**

For the Financial Year ended 31 December 2021

	Group	
	2021	2020
	S$'000	S$'000
Cash Flows from Operating Activities		
Loss before income tax	(253)	(266)
Adjustments for:		
Depreciation of property, plant and equipment	901	649
Finance costs	565	269
Interest income	-	(225)
Bargain purchase	-	(37)
Net gain on disposal of assets held-for-sale	(28)	(38)
Allowance for impairment loss on assets held-for-sale	-	452
Share of results of associate	-	46
Unrealised exchange gain	103	137
Operating cash flows before changes in working capital	1,288	987
Changes in working capital:		
Inventories	(10,127)	(1,979)
Trade and other receivables, contract assets	620	801
Prepayments	(3,082)	-
Trade and other payables	6,740	(145)
Other liabilities	2,901	319
Cash flows used in operations	(1,660)	(17)
Interest received	-	26
Finance cost paid	(565)	(221)
Income taxes paid	(185)	-
Net cash flows used in operating activities	(2,410)	(212)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(635)	(110)
Purchase of intangible assets	(107)	-
Net proceeds from disposal of assets held-for-sale	1,044	1,388
Acquisition of subsidiaries and business	(730)	-
Amounts due from related parties	-	(311)
Dividends received from an associate	-	114
Net cash outflow on acquisition of subsidiary	-	(5)
Net cash flows (used in)/generated from investing activities	(428)	1,076

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF **CASH FLOWS**

For the Financial Year ended 31 December 2021

(cont'd)

	Group 2021 S$'000	Group 2020 S$'000
Cash Flows from Financing Activities		
Repayments of bank loans	(175)	(240)
Proceeds from loans and borrowings	1,000	-
Principal payment of lease liabilities	(374)	(439)
Capital contribution by non-controlling interests	-	28
Amounts due to related parties	-	489
Dividend paid to non-controlling interests	-	(20)
Net cash flows generated from/(used in) financing activities	451	(182)
Net (decrease)/increase in cash and cash equivalents	(2,387)	682
Cash and cash equivalents at the beginning of the year	4,489	3,879
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies	-	(72)
Cash and cash equivalents at the end of the year (Note 19)	2,102	4,489

The reconciliation of movements of the liabilities to cash flows arising from financing activities is presented below.

	1 January S$'000	<---------Cash flows ---------> Proceeds S$'000	(Repayments) S$'000	Other changes S$'000	31 December S$'000
Group					
2021					
Bank loans	3,632	1,000	(175)	(964)*	3,493
Lease liabilities	743	-	(374)	-	369
	4,375	1,000	(549)	(964)	3,862
2020					
Amounts due to related parties	-	-	489	-	489
Bank loans	3,872	-	(240)	-	3,632
Lease liabilities	1,062	-	(439)	120**	743
	4,934	-	(190)	120	4,864

* During the financial year ended 31 December 2021, other changes include the discharge of liabilities classified as held for sale in the previous financial year amounting to S$964,000 (Note 18).

** During the previous financial year ended 31 December 2020, other changes include additional lease liabilities in relation to the renewal of existing motor vehicles lease amounting to S$72,000 and accretion of interest amounting to S$48,000.

The accompanying notes form an integral part of these financial statements

NOTES TO THE **FINANCIAL STATEMENTS**
For the Financial Year ended 31 December 2021

These notes form an integral part of and should be read in conjunction with the consolidated financial statements.

1 General

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 14.

The consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 31 December 2021 were approved and authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s")

(a) Application of New and Revised Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except that for the current financial year ended 31 December 2021, the Group has adopted all the new and revised SFRS(I)s which is relevant to the Group and mandatory for application and are effective for annual financial periods beginning on or after 1 January 2021.

The adoption of the new and revised SFRS(I)s standard does not have an impact on the financial performance or the financial position of the Group for the current financial year ended 31 December 2021.

(b) New and Revised Standards Issued but Not Yet Effective

At the date of authorisation of these financial statements, the Group has not adopted the following new and revised standards applicable to the Group that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 16 *COVID-19 Related Rent Concessions beyond 30 June 2021*	1 April 2021
Annual Improvements to SFRS(I)s/FRSs Standards 2018-2020 Cycle - SFRS(I) 9 *Financial Instruments – Fees in the '10 per cent' test for derecognition*	1 January 2022
Amendments to SFRS(I) 1-16 *Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 1-37 *Provisions - Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Amendments to SFRS(I) 3 *Business Combinations* – Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*-Classification of liabilities as current or non-current	1 January 2023
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements and SFRS(I) Practice Statement 2* -Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors* - Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12 Deferred *Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
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 above new and revised standards will have no material impact on the financial statements in the period of initial application.

3 Significant Accounting Policies

(a) Basis of Preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with the provisions of the Singapore Companies Act, 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

(b) Group Accounting

i. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over the fair value of the fair value of the investee's identifiable net assets acquired. Goodwill on acquisitions of subsidiaries is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment loss. Gains and losses on the disposal of subsidiaries, include the carrying amount of goodwill relating to the entity sold.

The Group applies the acquisition method to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether an integrated set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create output. The Group has an option to apply a 'fair value concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test can be applied on a transaction-by-transaction basis. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the test is not met, or if the Group elects not to apply the test, a detailed assessment must be performed applying the normal requirements in SFRS(I) 3.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

3 Significant Accounting Policies (cont'd)

(b) Group Accounting (cont'd)

i. Subsidiaries (cont'd)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

If the total of consideration transferred, non-controlling interest recognised and previously-held interest measured is less than the fair value of the net assets of the subsidiary acquired as in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred assets. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of interests in subsidiaries to non-controlling interests without loss of control are also recorded in equity.

When the Group loses control of a subsidiary, it:

- derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest (including any components of other comprehensive income attributable to them);
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained in the former subsidiary at its fair value;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or accumulated losses, as appropriate; and
- recognises any resulting difference in profit or loss.

(c) Investments in Subsidiaries

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses in the statement of financial position of the Company.

On disposal of investments in subsidiaries and associates, the difference between the net disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

3 Significant Accounting Policies (cont'd)

(d) Intangible Assets

Intangible assets acquired separately are measured initially at cost. Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least once at each financial year-end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognised in profit or loss when the intangible asset is derecognised.

Goodwill

Goodwill on acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net fair value of the investee's identifiable assets and liabilities.

Following initial recognition, goodwill is measured at cost less any impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount (including the goodwill), an impairment loss is recognised. The recoverable amount of a cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and value in use. Impairment loss on goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

3 Significant Accounting Policies (cont'd)

(e) Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

i. Distribution sale of mobile handsets and accessories, and pre-owned luxury goods sales

Revenue from the distribution sale of mobile handsets and accessories, pre-owned luxury goods sales is recognised when control of the products has transferred, being when the goods are delivered to the customer, the customer has full discretion over the manner of distribution and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has the objective evidence that all criteria for acceptance have been satisfied. A receivable is recognised when the goods are delivered as this represents the point in time that the right to consideration is unconditional because only the passage of time is required before the payment is due.

ii. Consumer electronics sales

The Group operates retail outlet selling electronics and related products. Revenue from the retail sale of electronics and related products is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

iii. Customer services

The Group provides after-market services to end consumers for equipment repairs and technical services. Revenue from customer services is recognised at a point in time when the services are rendered. Payment of the transaction price is due immediately at the point the customer acknowledges the completion of the services.

(f) Government Grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately under other income.

3 Significant Accounting Policies (cont'd)

(g) Leases

i. When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

The Group recognises right-of-use assets and lease liabilities at the date which the underlying assets become available for use. Right-of-use assets are measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement dates, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liabilities. The Group presents its right-of-use assets (except for those which meets the definition of an investment property) in "Property, plant and equipment" and lease liabilities in "Loans and borrowings" in the consolidated statement of financial position.

The initial measurement of lease liabilities is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Group has elected not to separate lease and non-lease components for property leases; instead they are accounted for as one single lease component.

Lease liabilities are measured at amortised cost, and are remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise lease extension and termination options;
- There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- There is a modification to the lease term.

3 Significant Accounting Policies (cont'd)

(g) Leases (cont'd)

i. When the Group is the lessee (cont'd)

When lease liabilities are remeasured, corresponding adjustments are made against the right-of-use assets. If the carrying amounts of the right-of-use assets have been reduced to zero, the adjustments are recorded in profit or loss. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less, as well as leases of low value assets, except in the case of sub-lease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments that are based on an index or a rate are included in the measurement of the corresponding right-of-use assets and lease liabilities. Other variable lease payments are recognised in profit or loss when incurred.

ii. When the Group is the lessor

Each lease in which the Group acts as a lessor is classified as either an operating or a finance lease at lease inception. Leases that transfer substantially all of the risks and rewards incidental to ownership of the underlying assets are classified as finance leases. Other leases are classified as operating leases.

<u>Lessor - operating leases</u>

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income. Contingent rents are recognised as income in profit or loss when earned.

(h) Foreign Currencies

i. Functional and presentation currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

For the purposes of the consolidated financial statements, the results and financial position of each entity in the Group are expressed in Singapore Dollars ("S$"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

All values are rounded to the nearest thousand (S$'000) except when otherwise indicated.

3 Significant Accounting Policies (cont'd)

(h) Foreign Currencies (cont'd)

ii. Transactions and balances

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

iii. Translation of Group entities' financial statements

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing exchange rates at the reporting date;
- income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transactions dates, in which the case income and expenses are translated using the exchange rates at the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3 Significant Accounting Policies (cont'd)

(i) Borrowing Costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(j) Employee Benefits

Employee benefits are recognised as an expense in profit or loss, unless the cost qualifies to be capitalised as an asset.

i. Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

ii. Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. A provision for the estimated liability for annual leave is recognised for services rendered by employees up to the reporting date.

(k) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

i. Current tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date. The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

3 Significant Accounting Policies (cont'd)

(k) Income Tax (cont'd)

ii. Deferred tax (cont'd)

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

iii. Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where the current and deferred tax arises from the initial accounting for a business combination, the tax effect is taken into account in the accounting for the business combination.

(l) Property, Plant and Equipment

i. Measurement

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

3 Significant Accounting Policies (cont'd)

(l) Property, Plant and Equipment (cont'd)

ii. Depreciation

Depreciation is recognised so as to write off the cost less their residual values over their useful lives, using the straight-line method.

The following useful lives are used in the calculation of depreciation:

Commercial properties	30 years
Furniture, fixtures and renovation	3 to 5 years
Office equipment and computers	3 to 5 years
Retail outlet	3 years
Motor vehicles	2 years

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year and adjusted as appropriate at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

iii. Subsequent expenditure

Subsequent expenditure related to property, plant and equipment that has been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

iv. Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3 Significant Accounting Policies (cont'd)

(m) Impairment of Non-Financial Assets

Goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated, from the acquisition date, to each of the Group's cash-generating-units ("CGUs") or groups of CGUs, that are expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost of disposal and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in profit or loss and is not reversed in a subsequent period.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Other non-financial assets

Non-financial assets are tested for impairment whenever there is any indication that these assets may be impaired.

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

3 Significant Accounting Policies (cont'd)

(m) Impairment of Non-Financial Assets (cont'd)

Other non-financial assets (cont'd)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(n) Financial Assets

Classification

i. Debt instruments

Financial assets that are debt instruments comprise mainly of cash and cash equivalents, trade and other receivables, contract assets, and investments in debt securities. The Group classifies these assets into categories based on the Group's business model for managing them and their contractual cash flow characteristics.

- Financial Assets measured at Amortised Cost ("AC") comprise of assets that are held within a business model whose objective is to hold those assets for collection of contractual cash flows, and those contractual cash flows represent solely payments of principal and interest.

- Financial Assets measured at Fair Value through Other Comprehensive Income ("FVOCI") comprise of assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling those assets, and those contractual cash flows represent solely payments of principal and interest.

- Financial Assets measured at Fair Value through Profit and loss ("FVPL") comprise of assets that do not qualify for AC and FVOCI. Assets that would otherwise qualify for AC or FVOCI may also be designated as FVPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that arises from measuring assets and liabilities on an inconsistent basis.

ii. Equity instruments

Financial assets that are equity instruments comprise mainly of investments in equity securities. The Group classifies these assets as FVPL, except for those that the Group has designated as FVOCI. The FVOCI designation is irrevocable, and is not permitted for held-for-trading financial assets and financial assets that represent contingent consideration in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

3 Significant Accounting Policies (cont'd)

(n) Financial Assets (cont'd)

Initial measurement

Trade receivables that do not contain a significant financing component are initially recognised at their transaction price. Other financial assets are initially recognised at fair value, plus, for financial assets that are not at FVPL, transaction costs that are directly attributable to their acquisition.

Transaction costs of financial assets at FVPL are expensed in profit and loss.

Subsequent measurement

i. Debt instruments

AC

These assets are subsequently measured at amortised cost using the effective interest method unless they are part of a designated hedging relationship. Impairment losses and reversals, interest income, and foreign exchange gains and losses (except where designated as a hedging instrument) on such assets are recognised in profit and loss. Interest income is based on the effective interest method which allocates interest income over the life of the financial asset based on an effective interest rate that discounts estimated future cash receipts to its gross carrying amount.

FVOCI

These assets are subsequently measured at fair value. Impairment losses and reversals, interest income based on the effective interest method, and foreign exchange gains and losses (except where designated as a hedging instrument) on such assets are recognised in profit and loss. Any remaining fair value movements are recorded in OCI.

FVPL

These assets are subsequently measured at fair value. All fair value movements are recorded in profit and loss.

ii. Equity instruments

Subsequent to initial recognition, all equity investments are measured at fair value. Changes in the fair value of FVPL equity investments are recognised in profit and loss, while changes in the fair value of FVOCI equity investments are recognised in other comprehensive income. All dividend income is recognised in profit and loss, except for dividends from FVOCI equity investments that clearly represent a recovery of the cost of investment.

3 Significant Accounting Policies (cont'd)

(n) Financial Assets (cont'd)

Impairment

At each reporting date, the Group assesses expected credit losses ("ECL") on the following financial instruments:

- Financial assets that are debt instruments measured at AC and FVOCI;
- Contract assets (as defined in SFRS(I) 15); and
- Financial guarantee contracts.

ECL is a probability-weighted estimate of credit losses. Credit losses are measured at the present value of all shortfalls between the cash flows due to the Group in accordance with contractual terms, and the cash flows that the Group actually expects to receive. ECL is discounted at the effective interest rate of the financial asset. The Group records allowances on financial assets based on either the:

- 12-month ECL – representing the ECL that results from default events that are possible within the 12 months after the reporting date (or the expected life of the instrument if shorter); or
- Lifetime ECL – representing the ECL that results from all possible default events over the expected life of the contract.

Simplified approach – Trade receivables and contract assets

For all trade receivables and contract assets, the Group adopts a simplified approach whereby an allowance for lifetime ECL is assessed upon initial recognition. The Group estimates lifetime ECL using a provision matrix based on historical credit loss experience, adjusted for various factors including debtor-specific factors, forward-looking information such as industry and economic forecasts, and others as appropriate.

General approach – All other financial instruments on which ECL assessment is required

For all other financial instruments on which ECL is assessed, an allowance for 12-month ECL is recorded upon initial recognition. The allowance is increased to lifetime ECL if the credit risk at each reporting date has increased significantly as compared to the credit risk at initial recognition. In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group considers all reasonable and supportable information that is relevant and available without undue cost or effort including both historical credit experience and forward-looking information.

The Group regards the following as events of default:

- Events that make it unlikely for the borrower to repay in full unless the Group undertakes actions to recover the asset (e.g. by exercising rights over collaterals or other credit enhancements); or
- The financial instrument has become overdue in excess of 1 year.

3 Significant Accounting Policies (cont'd)

(n) Financial Assets (cont'd)

Impairment (cont'd)

Credit-impaired financial instruments

At each reporting date, the Group assesses whether a financial instrument on which ECL assessment is required has become credit-impaired. This is the case when one or more events have occurred that are considered to be detrimental to the estimated future cash flows of the instrument. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or past due event (e.g. being more than 90 days past due);
- other lenders granting concessions (such as loan restructurings) to the borrower due to economic or contractual reasons, that would not have been considered in the absence of the borrower's financial difficulty;
- increasing likelihood that the borrower will enter bankruptcy or other financial re-organisation; and
- the disappearance of an active market for the borrower's securities due to financial difficulties.

For credit-impaired financial assets, interest income is determined by applying the effective interest rate to the net carrying amount of the financial asset (after deduction of the ECL allowance).

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, such as when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit and loss.

Recognition and derecognition

Financial assets are recognised when, and only when the Group becomes a party to its contractual provisions. All regular way purchases and sales of financial assets are recognised on trade-date, which is the date on which the Group commits to purchase or sell the asset.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset that is a debt instrument, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit and loss. In addition, for a financial asset that is a debt instrument at FVOCI, the cumulative gain or loss previously accumulated in the fair value adjustment reserve is reclassified to profit and loss.

On derecognition of an equity investment at FVPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit and loss. For equity investments at FVOCI, this difference is instead recognised directly in equity as part of accumulated losses. Cumulative gains and losses previously accumulated in equity are also transferred directly to accumulated losses upon derecognition of FVOCI equity investments.

3 Significant Accounting Policies (cont'd)

(o) Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the combined statement of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(q) Financial Liabilities

i. Financial liabilities

The Group recognises financial liabilities on its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instruments.

Financial liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial liability. All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting period. An entity shall recognise a financial liability on its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument.

ii. Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they have expired. The difference between the carrying amount of a financial liability that has been derecognised and the consideration paid and payable (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3 Significant Accounting Policies (cont'd)

(r) Related Parties

A related party is defined as follows:

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the "reporting entity").

a. A person or a close member of that person's family is related to a reporting entity if that person:

   i. has control or joint control over the reporting entity;
   ii. has significant influence over the reporting entity; or
   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b. An entity is related to a reporting entity if any of the following conditions applies:

   i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
   ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
   iii. both entities are joint ventures of the same third party;
   iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
   v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
   vi. the entity is controlled or jointly controlled by a person identified in (a);
   vii. a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
   viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

(s) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of finished goods comprises direct costs that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method for mobile handsets, accessories, consumer electronics and related products and first-in-first-out (FIFO) for lifestyle products. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. Allowance for stock obsolescence is made for obsolete and slow-moving inventories.

(t) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, fixed deposits, bank balances and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above less pledged fixed deposits.

3 Significant Accounting Policies (cont'd)

(u) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are charged to equity, net of any tax effects.

(v) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive management whose members are responsible for allocating resources and assessing performance of the operating segments.

(w) Non-current Assets Held-for-sale and Discontinued Operations

Non-current assets or disposal groups are classified as held-for-sale or distribution if their carrying amount will be recovered through a sale transaction or distribution rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held-for-sale when the criteria set out above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale. Non-current assets (or disposal groups) classified as held-for-sale (held for distribution) are measured at the lower of the assets' previous carrying amount and fair value less cost to sell (fair value less costs to distribute).

The assets are not depreciated or amortised while they are classified as held-for-sale. In addition, equity accounting of associates and joint ventures ceases once classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and;

i. represents a separate major line of business or geographical area of operations; or
ii. is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
iii. is a subsidiary acquired exclusively with a view to resale.

When a component of an entity qualifies as a discontinued operation, the comparative statement of comprehensive income is retrospectively restated to segregate the results of all operations that have been discontinued by the end of the latest reporting period.

4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements and the application of the Group's accounting policies, which are set out in Note 3 above, requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Critical Judgements in Applying the Accounting Policies

i. Impairment of investments in subsidiaries

Management reviews the Company's investments in subsidiaries at each reporting date to determine whether there is any indication that the investment may be impaired. To determine whether there is objective evidence of impairment, management considers factors such as the subsidiaries' financial performance and financial position and the overall economic environment. If any indicator exists, an impairment assessment will be performed accordingly.

The carrying amount of the Company's investments in subsidiaries and the allowance for impairment loss are disclosed in Note 14.

(b) Key Sources of Estimation Uncertainty

i. Loss allowance for trade receivables and contract assets

The Group measures the loss allowance for trade receivables and contract assets at an amount equal to lifetime expected credit losses ("ECLs"). The ECLs on trade receivables and contract assets are estimated using a provision matrix which involves grouping receivables based on characteristics which have historically influenced asset recoverability, such as credit ratings, customer-industry group and customer geography, and applying a historic provision rate which is based on days past due for groupings of various customer segments that have similar loss patterns. In devising such a provision matrix, the Group uses its historical credit loss experience with forward-looking information (adjusted as necessary to reflect current conditions and forecast economic conditions) to estimate the lifetime expected credit losses on the trade receivables and contract assets. At every reporting date, the historical default rates are updated and the impact of forward-looking information is re-analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 28(a) and the carrying amounts of the Group's trade receivables and contract assets are disclosed in Notes 16, 18 and 5(b), respectively.

ii. Loss allowance for inventory obsolescence

Reviews are made periodically by management in respect of inventories for excess inventories, obsolescence and decline in net realisable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving experiences.

Information about the inventory obsolescence is disclosed in Note 17.

5 Revenue from Contracts with Customers

(a) Disaggregation of Revenue from Contracts with Customers

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

	Group	
	2021	2020
	S$'000	S$'000
Principal geographical market		
Distribution sale of mobile handsets and accessories		
- Philippines	1,208	5,458
Pre-owned luxury goods sales		
- Singapore	3,010	560
- Hong Kong	40	22
- Indonesia	52	160
- United States	29,967	4,635
- Philippines	3	-
- Korea	53	56
	33,125	5,433
Consumer electronics sales		
- Singapore	15,649	18,215
- Hong Kong	298	392
- Philippines	672	147
	16,619	18,754
Customer services		
- Singapore	2,489	3,148
	53,441	32,793
Major product or service lines and timing of revenue recognition		
Distribution sale of mobile handsets and accessories	1,208	5,458
Pre-owned luxury goods sales	33,125	5,433
Consumer electronics sales	16,619	18,754
Customer services	2,489	3,148
At a point of time	53,441	32,793

5 Revenue from Contracts with Customers (cont'd)

(b) Contract balances

	Group	
	2021	2020
	S$'000	S$'000
Contract assets – current	-	188

Contract assets relate to unbilled receivables at the reporting date.

	Group	
	2021	2020
	S$'000	S$'000
Contract assets		
Changes in measurement of progress	-	188

Loss allowance for contract assets is measured at an amount equal to lifetime ECL. None of the contract assets at the end of the reporting period is past due. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the impairment loss on contract assets.

The Group's loss allowance is based on past due as the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments.

	Group	
	2021	2020
	S$'000	S$'000
Expected credit loss rate	*	*
Contract assets – gross carrying amounts (not past due)	-	188
Loss allowance – lifetime ECL	-	-
	-	188

* Insignificant ECL rate

6 Interest Income

	Group	
	2021	2020
	S$'000	S$'000
Interest income:		
- Bank deposits	-	10
- Trade receivables	-	215
	-	225

7 Other Income

	Group	
	2021	2020
	S$'000	S$'000
Bargain purchase	-	37
Government grants [(1)]	417	802
Rental income	-	28
Rental and property tax rebate	-	107
Advisory fees	337	-
Other miscellaneous income	340	14
	1,094	988

(1) Out of the government grants of S$ 417,000 (2020: S$802,000) recognised by the Group during the financial year ended 31 December 2021, S$251,000 (2020: S$725,000) relates to the Job Support Scheme ("JSS") (Note 16(c)).

8 Finance Costs

	Group	
	2021	2020
	S$'000	S$'000
Interest expense:		
- Bank loans	271	98
- Lease liabilities	79	48
- Others	54	-
	404	146
Bank charges	161	123
	565	269

9 Other Expenses

	Group	
	2021	2020
	S$'000	S$'000
Depreciation of property, plant and equipment	901	649
Net gain on disposal of assets held-for-sale	(28)	(38)
Net foreign exchange loss	103	52
Inventories write-down	33	-
Loan receivable write off	4	-
Allowance for impairment loss on assets held-for-sale	-	452
Other expenses	62	-
	1,075	1,115

10 Loss before Income Tax

The following items have been included in arriving at loss before income tax:

	Group	
	2021	2020
	S$'000	S$'000
Audit fees:		
- Auditors of the Company	120	104
- Other auditors	97	-
Non Audit Fees:		
- Auditor of the Company	10	-
Directors' fees:		
- Directors of the Company	95	102
Employee benefits expenses (Note 25)	7,105	3,241
Direct operating expenses relating to properties	685	170

11 Income Tax

	Group	
	2021	2020
	S$'000	S$'000
Current income tax:		
- Current year	126	40
- Under provision in respect of prior years	4	23
	130	63

The reconciliation between the income tax and the product of accounting loss multiplied by the applicable corporate tax rate for the financial year is as follows:

	Group	
	2021	2020
	S$'000	S$'000
Loss before income tax	(253)	(266)
Income tax at the applicable tax rate of 17% (2020: 17%)	(43)	(45)
Adjustments:		
Difference in foreign tax rate	-	(2)
Non-deductible expenses	190	133
Non-taxable income	(134)	(112)
Effect of partial tax exemption and tax relief	(9)	(31)
Deferred tax assets not recognised	122	89
Under provision in respect of prior years	4	23
Share of results of associate	-	8
	130	63

The entities of the Group operating in foreign jurisdictions have either no taxable income or are not material.

11 Income Tax (cont'd)

At the reporting date, the Group has estimated taxable temporary differences on property, plant and equipment of approximately S$66,000 (2020: S$51,000) and unutilised tax losses of approximately S$1,689,000 (2020: S$982,000) which can be carried forward and used to offset against future taxable income of those entities in the Group in which the losses arose, subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation of the respective countries in which they operate. The unutilised tax losses have no expiry dates.

The deferred tax assets arising from these estimated taxable temporary differences on property, plant and equipment and unutilised tax losses of approximately S$298,000 (2020: S$176,000) have not been recognised in accordance with the Group's accounting policy stated in Note 3(k).

12 Loss per Share

Basic loss per share are calculated by dividing loss for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following tables reflect the loss and share data used in the computation of basic loss per share for the financial years ended 31 December:

	Group	
	2021	2020
Loss for the year attributable to equity holders of the Company used in the computation of basic loss per share (S$'000)	(394)	(328)
Weighted average number of ordinary shares for basic loss per share computation (No. of shares '000)	17,053,170	17,053,170

There is no dilution of loss per share as there were no potential dilutive ordinary shares outstanding at the end of the financial years ended 31 December 2021 and 2020.

13 Property, Plant and Equipment

	Commercial properties	Furniture, fixtures and renovation	Office equipment and computers	Retail outlet (Right-of-use)	Motor vehicles	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group						
Cost						
Balance at 1 January 2020	4,907	1,208	639	1,005	159	7,918
Additions (a)	-	21	89	-	72	182
Disposals	-	-	-	-	(95)	(95)
Currency alignment *	-	-	-	-	-	-
Balance at 31 December 2020	4,907	1,229	728	1,005	136	8,005
Additions (a)	-	275	270	1,262	110	1,917
Disposals	-	-	(23)	-	(63)	(86)
Reclassified to disposal group classified as held-for-sale	-	(231)	(229)	(1,262)	(72)	(1,794)
Currency alignment *	-	-	-	-	-	-
Balance at 31 December 2021	4,907	1,273	746	1,005	111	8,044

(a) Additions of property, plant and equipment ("PPE") of S$ 1,917,000 (2020: S$182,000) during the financial year ended 31 December 2021 consist of S$635,000 purchase of PPE (2020: S$110,000) and S$1,282,000 (2020: S$72,000) recognised as right-of-use assets (Note 27).

13 Property, Plant and Equipment (cont'd)

	Commercial properties S$'000	Furniture, fixtures and renovation S$'000	Office equipment and computers S$'000	Retail outlet (Right-of-Use) S$'000	Motor vehicles S$'000	Total S$'000
Group						
Accumulated depreciation						
Balance at 1 January 2020	1,031	1,165	560	34	76	2,866
Depreciation	164	15	59	335	76	649
Disposals	-	-	-	-	(95)	(95)
Currency alignment *	-	-	-	-	-	-
Balance at 31 December 2020	1,195	1,180	619	369	57	3,420
Depreciation	164	55	77	543	62	901
Disposals	-	-	(23)	-	(63)	(86)
Reclassified to disposal group classified as held-for-sale	-	(21)	(17)	(205)	(1)	(244)
Currency alignment *	-	-	-	(4)	1	(3)
Balance at 31 December 2021	1,359	1,214	656	703	56	3,988
Carrying amount						
At 31 December 2020	3,712	49	109	636	79	4,585
At 31 December 2021	3,548	58	93	302	55	4,056

	Commercial properties S$'000	Furniture, fixtures and renovation S$'000	Office equipment and computers S$'000	Total S$'000
Company				
Cost				
Balance at 1 January 2020	4,907	972	376	6,255
Additions	-	-	-	-
Balance at 31 December 2020	4,907	972	376	6,255
Additions	-	-	4	4
Balance at 31 December 2021	4,907	972	380	6,259
Accumulated depreciation				
Balance at 1 January 2020	1,031	934	358	2,323
Depreciation	164	12	10	186
Balance at 31 December 2020	1,195	946	368	2,509
Depreciation	164	10	5	179
Balance at 31 December 2021	1,359	956	373	2,688
Carrying amount				
At 31 December 2020	3,712	26	8	3,746
At 31 December 2021	3,548	16	7	3,571

* Less than S$1,000.

The Group's/Company's commercial properties with a carrying amount of S$3,548,000 (2020: S$3,712,000) are mortgaged to secure the Group's/Company's bank loans (Note 20) as at 31 December 2021.

The Group's right-of-use assets acquired under leasing arrangements are presented separately as "Retail outlet" and "Motor vehicles". Details of such leased assets are disclosed in Note 27.

14 Investments in Subsidiaries

	Company 2021 S$'000	Company 2020 S$'000
Unquoted shares, at cost	7,425	7,425
Less: Allowance for impairment	(7,425)	(7,425)
	-*	-*
Movements in allowance account:		
At 1 January	(7,425)	(4,386)
Charge for the year	-	(3,039)
At 31 December	(7,425)	(7,425)

* Less than S$1,000.

Impairment loss of subsidiaries

During the previous financial year ended 31 December 2020, an additional allowance for impairment loss of approximately S$3,039,000 has been recognised for the Company's investments in subsidiaries as these subsidiaries have been incurring losses.

(a) Composition of the Group

The Group has the following investments in subsidiaries:

Name and principal place of business	Principal activities	Group effective proportion of ownership interest 2021 %	Group effective proportion of ownership interest 2020 %
Held by the Company			
Polaris Device Pte. Ltd.(1) Singapore	Dormant	100	100
Polaris Network Pte. Ltd.(1) Singapore	Retailer of mobile handset and services and consumer electronics	100	100
Polaris Explorer Pte. Ltd.(1) Singapore	Investment holding company and regional mobile handset distributor	100	100
Held through Polaris Explorer Pte. Ltd.			
Mastro Luxe Pte. Ltd. (formerly known as Marque Luxury Pte. Ltd. and Marque Luxury Asia Pte. Ltd.)(1) Singapore	Wholesale and retail of premium lifestyle products	51	51

14 Investments in Subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

The Group has the following investments in subsidiaries: (cont'd)

Name and principal place of business	Principal activities	Group effective proportion of ownership interest 2021 %	2020 %
Held through Mastro Luxe Pte. Ltd. ("MLS subgroup")			
Marque Luxury America LLC [2][8] United States	Wholesale and retail of premium lifestyle products	51	51
Marque Luxury Korea Co., Ltd.[3][9] South Korea	Wholesale and retail of premium lifestyle products	51	51
Connetic-Enterprises Inc.[4][9] Philippines	Wholesale and retail of premium lifestyle products	26 [12]	26 [12]
Marque Luxury (Thailand) Co., Ltd [5][9] Thailand	Wholesale and retail of premium lifestyle products	25 [12]	25 [12]
Marque Luxury Vietnam Co., Ltd[9] [10] Vietnam	Wholesale and retail of premium lifestyle products	41[12]	-
Marque Supply Japan[9] [11] Japan	Wholesale and retail of premium lifestyle products	51[12]	-
Held through Marque Luxury America LLC ("MLA subgroup")			
MLuxury Nevada LLC [6][8] United States	Wholesale and retail of premium lifestyle products	-	26 [12]
MLuxury Texas LLC [7][9] United States	Wholesale and retail of premium lifestyle products	-	26 [12]
Marque Mentor LLC[8] [11] United States	Wholesale and retail of premium lifestyle products	43[12]	-

(1) Audited by Moore Stephens LLP, Singapore.
(2) During the previous financial year, the subsidiary was incorporated by Mastro Luxe Pte. Ltd. with an issued and paid-up share capital of 100 ordinary shares amounting to USD100 (equivalent to S$139) fully paid in cash.
(3) During the previous financial year, the subsidiary was incorporated by Mastro Luxe Pte. Ltd. with an issued and paid-up share capital of 20,000 ordinary shares amounting to KRW100,000,000 (equivalent to S$116,427) fully paid in cash.
(4) During the previous financial year, the subsidiary was acquired by Mastro Luxe Pte. Ltd. from a third party with a consideration of PHP177,548 (equivalent to S$4,960) for a 51% shareholding fully paid in cash.
(5) During the previous financial year, the subsidiary was incorporated by Marque Luxury Pte. Ltd. and a third party with an issued and paid-up share capital of 23,999 ordinary shares amounting to THB599,975 (equivalent to S$27,051) fully paid in cash.
(6) During the previous financial year, the subsidiary was incorporated by Marque Luxury America LLC and a third party with an issued and paid-up share capital of 50 ordinary shares amounting to USD50 (equivalent to S$66) fully paid in cash.
(7) During the previous financial year, the subsidiary was incorporated by Marque Luxury America LLC and a third party with an issued and paid-up share capital of 51 ordinary shares amounting to USD51 (equivalent to S$67) fully paid in cash.
(8) Audited by RJI International CPAs, United States.
(9) As at 31 December 2021, these subsidiaries have not been audited as they are considered to be insignificant components to the Group for FY2021 but were reviewed by Moore Stephens LLP for Group consolidation purposes.
(10) During the current financial year, the subsidiary was incorporated by Mastro Luxe Pte. Ltd. with an issued and paid-up share capital of 80,000 ordinary shares amounting to VND 920,000,000 (equivalent to S$53,714) fully paid in cash.
(11) During the current financial year, these subsidiaries were acquired by Mastro Luxe Pte. Ltd. from a third party as disclosed in Note 14(d).
(12) These subsidiaries are held by non-wholly owned intermediate holding companies. The intermediate holding companies have the power to control these companies.

14 Investments in Subsidiaries (cont'd)

(b) Interest in subsidiaries with material non-controlling interest ("NCI")

The Group has the following subsidiaries that have NCI that are considered material to the Group:

Name and principal place of business	Proportion of ownership interest held by NCI	Profit/(Loss) allocated to NCI during the reporting period S$'000	Accumulated NCI at the end of reporting period S$'000	Dividends paid to NCI S$'000
2021				
Mastro Luxe Pte. Ltd. (formerly known as Marque Luxury Pte. Ltd. and Marque Luxury Asia Pte. Ltd.) and its subsidiaries ("MLS subgroup")				
Singapore	49%	11	2,206	-
2020				
Mastro Luxe Pte. Ltd. (formerly known as Marque Luxury Pte. Ltd. and Marque Luxury Asia Pte. Ltd.) and its subsidiaries ("MLS subgroup")				
Singapore	49%	(1)	77	20

14 Investments in Subsidiaries (cont'd)

(c) Summarised financial information about subsidiaries with material NCI of MLS subgroup

Summarised statement of comprehensive income

	MLS subgroup	
	2021	2020
	S$'000	S$'000
Revenue	33,126	5,291
Profit/ (loss) before income tax	188	(18)
Income tax	(126)	-
Profit/(loss) after income tax	62	(18)
Other comprehensive (loss)/income	(43)	3
Total comprehensive income/(loss)	19	(15)

Summarised statement of financial position

	MLS subgroup	
	2021	2020
	S$'000	S$'000
Current		
Assets	26,679	6,256
Liabilities	(22,333)	(1,602)
Net current assets	4,346	4,654
Non-current		
Assets	156	85
Liabilities	-	(4,644)
Net non-current assets	156	(4,559)
Net assets	4,502	95

14 Investments in Subsidiaries (cont'd)

(d) Acquisition of subsidiaries and business

During the current financial year, the Group acquired (i) a pre-owned luxury goods business ("Acquired Business"), (ii) an effective shareholding interest of 51% in Marque Supply Japan LLC ("MSJ") and (iii) an effective shareholding interest of 43% in Marque Mentor LLC ("MM") from related parties for a total consideration of US$2,290,144 (Singapore Dollar equivalent of S$3,095,588).

The fair value of the identifiable assets and liabilities at the acquisition date were:

	MSJ	MM	Acquired Business	S$
	S$'000	S$'000	S$'000	S$'000
Plant and equipment	-	-	76	76
Trade and other receivables	75	-	903	978
Inventories	-	-	113	113
Prepayments	-	-	107	107
Trade and other payables	(103)	(19)	(2,247)	(2,369)
Intangible assets	-	-	119	119
Deferred tax liability	-	-	(20)	(20)
Identifiable net liabilities acquired at fair value	(28)	(19)	(949)	(996)
Consideration payable	33	-	3,063	3,096
Add: Identifiable net liabilities acquired at fair value	28	19	949	996
Less: Non-controlling interest	(14)	(11)	-	(25)
Goodwill arising on acquisition	47	8	4,012	4,067

The consideration payable of S$3,096,000 has been settled in cash amounting to S$730,000 and the balance has been off-setted against amount due from the related parties.

In addition, the Group also acquired a separate customer listing from a related party in relation to the acquired business amounting to S$1,531,000.

Goodwill arose in the acquisition because the consideration paid for the acquisition effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The goodwill arising is not expected to be deductible for tax purposes.

Management has engaged an external professional expert ("management expert") to perform a purchase price allocation ("PPA") exercise in order to allocate the purchase consideration between the identifiable assets acquired and liabilities assumed, including the identification and valuation of intangible assets.

Pursuant to the "potential dilution" as described in Note 18, the attributable assets and liabilities of MLA subgroup (which include the acquired business and MM) have been reclassified to "disposal group held-for-sale" as at 31 December 2021.

15 Other Financial Assets

	Group and Company	
	2021	2020
	S$'000	S$'000
Equity investment measured at fair value through other comprehensive income		
Quoted equity investment		
PT Trikomsel Oke Tbk. ("TRIO")	-	-

The above equity investment represents the Group's 8.22% investment in TRIO. TRIO's shares are listed on the Indonesia Stock Exchange ("IDX").

As per the Group's investment policy, this investment in equity instrument is not held for trading. Instead, it is held mainly for long-term strategic purposes. Accordingly, this investment is designated at FVOCI as the management believes that recognising short-term fluctuations in this investment's FVPL would not be consistent with the Group's strategy of holding this investment for long-term purposes.

During the financial year ended 31 December 2019, the TRIO's shares on the IDX were suspended in July 2019 and remained suspended at the reporting date. As TRIO's shares remained suspended, management has relied on information about prices from recent off-market transactions after the year end in the determination of the fair value at the reporting date which is categorised under Level 2 of the Fair Value Hierarchy. Further, TRIO has announced on 13 March 2020 that under the relevant exchange regulations, the IDX may delist TRIO's shares if it remains to be suspended for a continuous period of 24 months.

16 Trade and Other Receivables

	Group		Company	
	2021	2020	2021	2020
	S$'000	S$'000	S$'000	S$'000
Trade and other receivables (current)				
Trade receivables (a)				
- Third parties	884	1,026	-	-
- Associate	-	1,082	-	-
- Related parties	-	4,066	-	-
	884	6,174	-	-
Other receivables (b)	514	74	-	-
Advances to suppliers	-	48	-	-
GST receivables	116	-	-	-
Government grant receivables (c)	-	143	-	-
Amounts due from related parties (d)	-	311	-	-
Amounts due from subsidiaries (net of allowance) (e)	-	-	9,493	
Refundable deposits	259	115	4	5
	1,773	6,865	9,497	5
Other receivables (non-current)				
Amounts due from subsidiaries (net of allowance) (e)	-	-	-	4,732
Total trade and other receivables (current and non-current)	1,773	6,865	9,497	4,737

16 Trade and Other Receivables (cont'd)

(a) Trade receivables

Trade receivables from third parties are non-interest bearing. Generally, the trade receivables' credit period ranges from 1 to 90 days (2020: 1 to 90 days).

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses ("ECL") as disclosed in the accounting policy Note 3(n). There has been no change in the estimation techniques or significant assumptions made during the current reporting period. None of the trade receivables that have been written off is subject to enforcement activities.

The Group's credit risk exposure in relation to trade receivables are set out in the provision matrix as presented below. The Group's provision for loss allowance is based on past due as the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments.

		← Trade receivables past due (days) →				
	Current	< 30 days	31 to 60 days	61 to 90 days	> 90 days	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group						
2021						
Expected credit loss rate	*	*	*	*	*	*
Trade receivables – gross carrying amount at default	117	487	-	-	280	884
Loss allowance – lifetime ECL	-	-	-	-	-	-
	117	487	-	-	280	884
2020						
Expected credit loss rate	*	*	*	*	*	*
Trade receivables – gross carrying amount at default	2,323	777	526	15	2,533 [1]	6,174
Loss allowance – lifetime ECL	-	-	-	-	-	-
	2,323	777	526	15	2,533	6,174

* Insignificant ECL rate

[1] Out of the trade receivables past due more than 90 days of S$2,533,000, S$2,448,000 was set off against the consideration for an asset acquisition transaction in 14(d).

There is no allowance for impairment arising from these outstanding balances as the expected credit losses are insignificant.

(b) Other receivables

Other receivables include the outstanding balance due from the disposal of the associate amounts to S$204,000 (Note 31).

(c) Government grant receivables

The government grant receivables relate to cash grants in relation to the gross monthly wages of eligible workers under the Job Support Scheme ("JSS") as introduced by the Singapore government during the financial year. The JSS is a wage subsidy programme aimed to help companies retain and pay their workers as businesses take a hit from the COVID-19 pandemic.

16 Trade and Other Receivables (cont'd)

(d) Amounts due from related parties

Amounts due from related parties are non-trade, unsecured, non-interest bearing, and are to be settled in cash on demand.

(e) Amounts due from subsidiaries

	Company	
	2021	2020
	S$'000	S$'000
Amounts due from subsidiaries	16,398	12,132
Less: Allowance for impairment		
At 1 January	(7,400)	(4,561)
Reversal/(Addition)	495	(2,839)
At 31 December	(6,905)	(7,400)
	9,493	4,732

Amounts due from subsidiaries are non-trade, unsecured, non-interest bearing, and are to be settled in cash on demand. The Company does not expect to recall the above amounts due from subsidiaries within the next 12 months from the financial year end. A reversal for impairment loss of $495,000 (2020: additional allowance of $2,839,000) was recognised for the current financial year.

(f) Impairment loss on financial assets

For the purpose of impairment assessment, the other receivables (excluding trade receivables, contract assets and amounts due from subsidiaries) are considered to have a low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL which reflects the low credit risk of the exposures. There is no allowance arising from these outstanding balances as the expected credit losses are insignificant. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

17 Inventories

	Group	
	2021	2020
	S$'000	S$'000
Statement of financial position		
Finished goods (at cost)	2,873	2,781
Goods in transit	-	50
	2,873	2,831
Statement of income		
Inventories recognised as an expense in cost of sales	41,976	28,246

18 Disposal Group Classified as Held-For-Sale

2021

During the current financial year ended 31 December 2021, the Group announced on 26 October 2021 that it had entered into an agreement with Englory Media Holdings Pte. Ltd. (the "Investor") and Marque Luxury LLC ("MLL") for a US$10,000,000 investment by way of a subscription of equity interests in the Company's principal subsidiary, Marque Luxury America LLC ("MLA") by the Investor ("Potential Injection").

Upon the completion of the above, it will result in:

- a capital reduction and distribution of MLA equity interest to Polaris Explorer Pte. Ltd.;
- 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").

As at 31 December 2021, the above transaction is not completed and is expected to be completed by 22 February 2023.

Accordingly, the attributable assets and liabilities of MLA subgroup have been classified as "assets held-for-sale" under current assets and "liabilities held-for-sale" under current liabilities respectively.

The major classes of assets and liabilities of MLA subgroup at the end of the reporting year are as follows:

	Group
	2021
	S$'000
Goodwill	4,020
Intangible assets	1,737
Property, plant and equipment	1,550
Trade receivables	2,342
Other receivables	1,638
Inventories	10,198
Prepayments	3,233
Cash and bank balances	370
Assets of disposal group classified as held for sale	25,088
Trade and other payables	11,647
Other liabilities	3,172
Provision for income tax	8
Liabilities of disposal group classified as held for sale	14,827
Net assets of disposal group classified as held for sale	10,261

18 Disposal Group Classified as Held-For-Sale (cont'd)

2020

	Group 2020 S$'000
Associate (a)	812
Properties (b)	1,372
Assets of disposal group classified as held for sale	2,184
Loan - liabilities of disposal group classified as held for sale (c)	964

(a) Associate

During the previous financial year ended 31 December 2020, the Group was committed to dispose its entire 40% stake in an associate, Polaristitans Philippines Inc. Accordingly, the carrying amount of the associate of which was previously classified under "Investment in an Associate" has been reclassified to "Assets Held-for-Sale". The asset held-for-sale was recognised at the lower of the associate's previous carrying amount and fair value less costs to sell.

During the current financial year ended 31 December 2021, the Group announced on 4 June 2021 that it had entered into an agreement with a third party to dispose its entire 40% stake in the associate, Polaristitans Philippines Inc.

(b) Properties

During the previous financial year ended 31 December 2020, the Group was committed to its plan to sell its properties. Accordingly, the carrying amount of the properties was classified as "Asset Held-for-Sale". The assets held-for-sale were recognised at the lower of the properties' previous carrying amount and fair value less costs to sale.

During the current financial year ended 31 December 2021, the Group disposed these properties to a third party.

(c) Loan

The loan was attributable to the Group's properties classified as assets held-for-sale. Accordingly, the loan has been classified as "Liabilities Directly Associated with Disposal Group Classified as Held-For-Sale" as at 31 December 2020.

19 Cash and Bank Balances

	Group		Company	
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
Cash on hand and at bank	2,102	4,489	242	1,847

Cash at bank earns interest at floating rates based on daily banks deposit rates.

20 Loans and Borrowings

		Group		Company	
	Maturity	2021	2020	2021	2020
		S$'000	S$'000	S$'000	S$'000
Current					
Loan I	2032	86	81	86	81
Loan II	2034	111	91	111	91
Enterprise loan	2026	220	-	220	-
Lease liabilities (Note 27)		364	390	-	-
		781	562	417	172
Non-current					
Loan I	2032	980	1,066	980	1,066
Loan II	2034	1,316	1,430	1,316	1,430
Enterprise loan	2026	780	-	780	-
Lease liabilities (Note 27)		5	353	-	-
		3,081	2,849	3,076	2,496
Total		3,862	3,411	3,493	2,668

Loan I

This loan is secured by a first mortgage over the Group's commercial properties (Note 13) and is repayable in 168 instalments, bears interest at 2.48% (2020: 4.17%) below Bank's Commercial Financing Rate ("BCFR") for the 1st year, 2.78% (2020: 2.48%) below BCFR for the 2nd year, and 1.88% (2020: 3.47%) below BCFR for the 3rd year and thereafter at BCFR. Currently, BCFR is at 6.259% (2020: 6.25%) per annum.

Loan II

This loan is secured by a first mortgage over the Group's commercial properties (Note 13) and is repayable in 240 instalments, bears interest at 2.95% (2020: 3.30%) below BCFR for the 1st year, 1.58% (2020: 2.95%) below BCFR for the 2nd year, and thereafter at BCFR. Currently, BCFR is at 6.25% (2020: 6.25%) per annum.

Enterprise loan

During the current financial year, the Company obtained an unsecured Enterprise Loan and is repayable in 60 instalments which bears interest at 2.50% per annum.

21 Trade and Other Payables

	Group		Company	
	2021	2020	2021	2020
	S$'000	S$'000	S$'000	S$'000
Trade payables (a)				
- Third parties	836	1,091	-	-
- Related parties	-	129	-	-
	836	1,220	-	-
Other payables	267	187	-	6
GST payables	42	168	26	26
Amounts due to related parties (b)	-	489	-	-
Amount due to subsidiary (b)	-	-	4,038	2,680
Total trade and other payables	1,145	2,064	4,064	2,712

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 60 days terms (2020: 60 days).

(b) Amounts due to related parties and subsidiary

Amounts due to related parties and subsidiary are non-trade, unsecured, non-interest bearing, and are to be settled in cash on demand.

22 Other Liabilities

	Group		Company	
	2021	2020	2021	2020
	S$'000	S$'000	S$'000	S$'000
Accrued operating expenses	406	677	159	241

23 Share Capital and Reserves

(a) Share Capital

	Group and Company	
	No. of ordinary shares '000	S$'000
Issued and fully paid		
At 31 December 2021 and 2020	17,053,170	402,747

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

23 Share Capital and Reserves (cont'd)

(b) Foreign Currency Translation Reserve

	Group 2021 S$'000	Group 2020 S$'000
At 1 January	(470)	(473)
Exchange differences on translation	(43)	3
At 31 December	(513)	(470)

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of Group entities' operations whose functional currencies are different from that of the Group's presentation currency.

24 Non-controlling Interests

	Group 2021 S$'000	Group 2020 S$'000
At 1 January	77	29
Share of results of subsidiaries	11	(1)
Acquisition of subsidiaries and business	(25)	69
Capitalisation of amount due to non-controlling interest	2,143	-
Dividend paid to non-controlling interests	-	(20)
At 31 December	2,206	77

During the current financial year, amount due to non-controlling interest of S$2,143,000 has been capitalised into share capital of a subsidiary company.

25 Employee Benefits

	Group 2021 S$'000	Group 2020 S$'000
Employee benefits (including directors):		
Cost of sales:		
- Salaries and bonuses	-	1,250
- Central Provident Fund contributions	-	197
- Other short-term benefits	-	23
Administrative expenses:		
- Salaries and bonuses	6,582	1,613
- Central Provident Fund contributions	188	83
- Other short-term benefits	335	75
	7,105	3,241

26 Related Party Transactions

In addition to the related party information disclosed in Note 14 and elsewhere in the financial statements, the following transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

Sale and Purchase of Goods and Services

	Group	
	2021	2020
	S$'000	S$'000
Sales of finished goods to an associate	1,208	5,458
Sales of finished goods to related parties	-	2,715
Purchases of finished goods from related parties	-	565
Sales receipts collected on behalf by related parties	-	1,374
Sales receipts collected on behalf of related parties	-	51
Advances to related parties	-	204
Purchases/Expenses paid on behalf by related parties	-	597
Purchases/Expenses paid on behalf of related parties	-	18
Interest charged to an associate	-	16
Interest charged to related parties	-	199
Service fees charged by related parties	-	111

Compensation of Key Management Personnel

	Group	
	2021	2020
	S$'000	S$'000
Directors' fees	95	102
Short-term employee benefits	616	440
Central Provident Fund contributions	35	31
Other short-term benefits	76	100
	822	673
Comprise amounts paid/payable to:		
Directors of the Company	683	517
Other key management personnel	139	156
	822	673

27 Lease Liabilities

The Group as a lessee

(a) Nature of the Group's leasing activities

The Group has entered into leases in respect of its retail outlet and motor vehicles. The Group's obligations under the leases are secured by security deposits placed to the lessors. The Group is prohibited from selling, pledging or sub-leasing the underlying leased assets, and is required to maintain the assets in good condition.

(b) Carrying amount of right-of-use assets classified within Property, Plant and Equipment

	Group	
	2021	2020
	S$'000	S$'000
Retail outlet	302	636
Motor vehicles	41	79
	343	715

The information about the additions to right-of-use assets during the current financial year are disclosed in Note 13.

(c) Amounts recognised in profit or loss

	Group	
	2021	2020
	S$'000	S$'000
Depreciation charge for the year:		
- Retail outlet	543	335
- Motor vehicles	57	76
	600	411
Interest on lease liabilities	79	48

(d) Other disclosures

	Group	
	2021	2020
	S$'000	S$'000
Total cash outflow for leases	574	439

28 Financial Risk Management

Financial Risk Management Objectives and Policies

The Group is exposed to financial risks arising from its operations. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market risk.

Financial risk management is carried out by management under policies approved by the Board of Directors of the Company. The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management of the Group.

(a) Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables, refundable deposits, amounts dues from subsidiaries, and cash and bank balances. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group has adopted a policy of only dealing with creditworthy counterparties. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than one year and nine months or there is significant difficulty of the counterparty.

The credit risk concentration profile of the Group's trade receivables (including assets held for sale) at the reporting date is as follows:

	Group	
	2021	2020
	S$'000	S$'000
Trade receivables by country:		
- Singapore	884	756
- Indonesia	-	4
- Philippines	-	1,082
- United States	2,342	4,323
- Hong Kong	-	9
	3,226	6,174

The Group does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial assets.

28 Financial Risk Management (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit Risk (cont'd)

Trade receivables and contract assets

As disclosed in Note 3(n), the Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets. In measuring the expected credit losses, trade receivables and contract assets are grouped based on their shared credit risk characteristics and numbers of days past due. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Further details on the loss allowance of the Group's credit risk exposure in relation to the trade receivables and contract assets is disclosed in Notes 16(a), 18 and 5(b), respectively.

Cash and bank balances and other financial assets

The cash and bank balances are entered into with bank and financial institution counterparties, which the Group considers to have low credit risk based on external credit agency ratings.

Impairment on cash and bank balances has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties. The Group uses a similar approach for assessment of ECLs for cash and bank balances to those used for debt investments. The amount of the allowance on cash and bank balances was insignificant.

Further details on the loss allowance of the Group's credit risk exposure in relation to the other financial assets is disclosed in Note 16(f).

Credit risk grading guideline

The Group's management has established the Group's internal credit risk grading to the different exposures according to their degree of default risk. The internal credit risk grading which are used to report the Group's credit risk exposure to key management personnel for credit risk management purposes are as follows:

Internal rating grades	Definition	Basis of recognition of expected credit loss ("ECL")
i. Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
der-performing	There has been a significant increase in credit risk since initial recognition (i.e. interest and/or principal repayment are more than 30 days past due).	Lifetime ECL (not credit-impaired)
iii. Non-performing	There is evidence indicating that the asset is credit-impaired (i.e. interest and/or principal repayments are more than one year past due).	Lifetime ECL (credit impaired)
iv. Write-off	There is evidence indicating that there is no reasonable expectation of recovery as the debtor is in severe financial difficulty.	Asset is written off

28 Financial Risk Management (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit Risk (cont'd)

Credit risk exposure and significant credit risk concentration

The credit quality of the Group's and the Company's financial assets (including assets held for sale), as well as maximum exposure to credit risk by credit risk rating grades is presented as follows:

	Internal credit rating	ECL	Gross carrying amount	Loss allowance	Net carrying amount
			S$'000	S$'000	S$'000
Group					
2021					
Trade receivables	Note A	Lifetime ECL (Simplified)	3,226	-	3,226
Contract assets	Note A	Lifetime ECL (Simplified)	-	-	-
Other receivables	Performing	12-month ECL	2,411	-	2,411
2020					
Trade receivables	Note A	Lifetime ECL (Simplified)	6,174	-	6,174
Contract assets	Note A	Lifetime ECL (Simplified)	188	-	188
Other receivables	Performing	12-month ECL	691	-	691
Company					
2021					
Other receivables	Performing	12-month ECL	3	-	3
Other receivables (Note 16(e))	Non-performing	Lifetime ECL (credit impaired)	16,398	(6,905)	9,493
2020					
Other receivables	Performing	12-month ECL	5	-	5
Other receivables (Note 16(e))	Non-performing	Lifetime ECL (credit impaired)	12,132	(7,400)	4,732

Note A – The Group has applied the simplified approach to measure the loss allowance at lifetime ECL. The details of the loss allowance for these financial assets are disclosed in Notes 16(a) and 5(b), respectively.

28 Financial Risk Management (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(b) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

To manage liquidity risk, the Group monitors its net operating cash flow, maintains a level of cash and bank balances and secured committed funding facilities from financial institutions. In assessing the adequacy of these facilities, the Group reviews working capital and capital expenditure requirements continually so as to mitigate the effects of fluctuations in the cash flows. When a potential shortfall in cash is anticipated, the Group will finance the shortfall by way of borrowings, share placements and/or issue of convertible securities in a timely manner. The Group places its surplus funds with reputable banks.

The Group will continue to review, formulate and implement a liquidity risk management policy and to maintain sufficient liquid financial assets and stand-by credit facilities with three different banks.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities (excluding assets and liabilities held for sale) at the end of the reporting period based on contractual undiscounted repayment obligations.

	One year or less S$'000	One to five years S$'000	Over five years S$'000	Contractual cash flow S$'000	Carrying amount S$'000
Group					
2021					
Financial assets					
Trade and other receivables [(1)]	1,657	-	-	1,657	1,657
Cash and bank balances	2,102	-	-	2,102	2,102
Total undiscounted financial assets	3,759	-	-	3,759	3,759
Financial liabilities					
Trade and other payables [(1)]	1,103	-	-	1,103	1,103
Other liabilities	406	-	-	406	406
Loans and borrowings (excluding lease liabilities)	475	1,995	1,398	3,868	3,493
Lease liabilities	374	6	-	380	369
Total undiscounted financial liabilities	2,358	2,001	1,398	5,757	5,522
Total net undiscounted financial assets/(liabilities)	1,401	(2,001)	(1,398)	(1,998)	(1,612)

28 Financial Risk Management (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(b) Liquidity Risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	One year or less S$'000	One to five years S$'000	Over five years S$'000	Contractual cash flow S$'000	Carrying amount S$'000
Group					
2020					
Financial assets					
Trade and other receivables [1]	6,738	-	-	6,738	6,674
Contract assets	188	-	-	188	188
Cash and bank balances	4,489	-	-	4,489	4,489
Total undiscounted financial assets	11,415	-	-	11,415	11,351
Financial liabilities					
Trade and other payables [1]	1,896	-	-	1,896	1,896
Other liabilities	677	-	-	677	677
Loans and borrowings (excluding lease liabilities)	1,238	1,345	1,846	4,429	3,632
Lease liabilities	421	363	-	784	743
Total undiscounted financial liabilities	4,232	1,708	1,846	7,786	6,948
Total net undiscounted financial assets/(liabilities)	7,183	(1,708)	(1,846)	3,629	4,403

	One year or less S$'000	One to five years S$'000	Over five years S$'000	Contractual cash flow S$'000	Carrying amount S$'000
Company					
2021					
Trade and other receivables [1]	9,497	-	-	9,497	9,497
Cash and bank balances	242	-	-	242	242
Total undiscounted financial assets	9,738	-	-	9,738	9,738
Financial liabilities					
Trade and other payables [1]	4,038	-	-	4,038	4,038
Other liabilities	159	-	-	159	159
Loans and borrowings	475	1,995	1,398	3,868	3,493
Total undiscounted financial liabilities	4,672	1,995	1,398	8,065	7,690
Total net undiscounted financial assets/(liabilities)	5,066	(1,995)	(1,398)	1,673	2,048

28 Financial Risk Management (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(b) Liquidity Risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	One year or less S$'000	One to five years S$'000	Over five years S$'000	Contractual cash flow S$'000	Carrying amount S$'000
Company					
2020					
Financial assets					
Trade and other receivables [1]	6,738	-	-	6,738	6,674
Contract assets	188	-	-	188	188
Cash and bank balances	4,489	-	-	4,489	4,489
Total undiscounted financial assets	11,415	-	-	11,415	11,351
Financial liabilities					
Trade and other payables [1]	1,896	-	-	1,896	1,896
Other liabilities	677	-	-	677	677
Loans and borrowings	1,238	1,345	1,846	4,429	3,632
Total undiscounted financial liabilities	421	363	-	784	743
	4,232	1,708	1,846	7,786	6,948
Total net undiscounted financial assets/(liabilities)	7,183	(1,708)	(1,846)	3,629	4,403

(1) Amount excludes advances to suppliers, government grant receivables and GST receivables/payables.

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings.

As the Group's and Company's loans and borrowings are presently on floating rates, the Group and Company will continue to review, formulate and implement policies to manage interest costs for new loans and borrowings using a mix of fixed and floating rate debts.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if the interest rates have been 100 (2020: 100) basis points higher/lower with all other variables held constant, the Group's results for the financial year would not be materially affected as a result of higher/lower interest expenses on floating rate loans and borrowings.

Effect of interest rate benchmark reform

A fundamental financial industry reform of interest rate benchmarks is being undertaken globally, including the cessation and replacement of interbank offered rates ("IBORs") with alternative nearly risk-free rates (referred to as "interest rate benchmark reform"). The Group's interest rate risk that is directly affected by the interest rate benchmark reform predominantly comprises its variable rate borrowings. As at 31 December 2021, the Group does not have any variable rate borrowings that are indexed to LIBOR.

28 Financial Risk Management (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(d) Foreign Currency Risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in foreign currencies; consequently exposures to exchange rate fluctuations arise. The foreign currencies in which these transactions are denominated are mainly United States Dollars ("USD").

To manage the foresaid foreign currency risk, the Group maintains a natural hedge, whenever possible, by depositing foreign currency proceeds from sales into foreign currency bank accounts which are primarily used for payments of purchases in the same currency denomination.

	Group	
	2021	2020
	USD	USD
	S$'000	S$'000
Financial assets (excluding assets held for sale)		
Trade and other receivables	-	3,194
Cash and bank balances	197	1,475
	197	4,669
Financial liabilities (excluding liabilities held for sale)		
Trade and other payables	-	1,339
Net financial assets	197	3,330
Less: Net financial assets denominated in the respective entity's functional currency	-	(934)
Currency exposure	197	2,396

If the following currencies strengthens by 5% (2020: 5%) against S$ at the reporting date, with all other variables being held constant, the effect arising from the net financial assets position will be as follows:

	Group (Decease)/Increase in (loss)/profit before tax	
	2021	2020
	S$'000	S$'000
USD	(10)	(120)

A 5% weakening of S$ against the above currencies would have had the equal but opposite effect on the above currency to the amount shown above, on the basis that all other variables remain constant.

The Company has not disclosed its exposure to foreign currency risk as the Company's risk exposure is not significant.

28 Financial Risk Management (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(e) Market Risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group's equity investment is listed on the Indonesia Stock Exchange ("IDX"). A 5% change in the equity price of the IDX listed equity investment measured at FVOCI would not result in a material variance in the fair value of the equity investment at the reporting date (2020: Nil).

At the date of authorisation of these financial statements, the TRIO's shares on the IDX remain suspended.

(f) Fair Value of Financial Instruments

The Group has established a control framework with respect to the measurement of fair values. This framework includes the finance team that reports directly to the Group's key management, and has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significantly unobservable inputs and valuation adjustments. If third party confirmation, such as broker quotes or pricing services, is used to measure fair value, then the finance team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I)s, including the level in the fair value hierarchy the resulting fair value estimate should be classified.

Significant valuation issues are reported to the Company's Audit and Risk Management Committee.

Fair Value Hierarchy

The financial instruments that are measured subsequent to initial recognition at fair value are required disclosure of fair value measurements by level of the following fair value measurement hierarchy:

i. Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

ii. Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

iii. Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Information relating to the Group's equity investment measured at FVOCI is disclosed in Note 15.

The fair values of financial assets and financial liabilities with a maturity of less than one year, which are primarily cash and bank balances, trade and other receivables, trade and other payables, and short-term loans and borrowings, are assumed to approximate their carrying amounts because of the short-term maturity of these financial instruments.

28 Financial Risk Management (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(f) Fair Value of Financial Instruments (cont'd)

Fair Value Hierarchy (cont'd)

The fair values of non-current other receivables and long-term loans and borrowings are calculated based on discounted expected future principal and interest cash flows. The discount rates used are based on market rates for similar instruments at the reporting date. The carrying amounts of these financial assets and financial liabilities are assumed to approximate their respective fair values. The Group does not anticipate that the carrying amounts recorded at the reporting date would be significantly different from the values that would eventually be received or settled.

29 Capital Management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2021 and 2020.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group will continue to review, formulate and implement policies to keep gearing ratio below 50%. The Group includes within net debt, loans and borrowings, trade and other payables less cash and bank balances.

	Group	
	2021	2020
	S$'000	S$'000
Loans and borrowings	3,862	4,375
Trade and other payables	1,145	2,064
Less: Cash and bank balances	(2,102)	(4,489)
Net debt	2,905	1,950
Equity attributable to the equity holders of the Company	13,540	13,977
Net-debt-to-equity ratio	0.21	0.14

30 Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has the following reportable operating segments:

i. The distribution segment distributes mobile handsets and accessories for leading brands.

ii. The pre-owned luxury goods segment engages in the business of importing and exporting pre-owned luxury goods and premium lifestyle products on a wholesale and/or retail basis,

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

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

v. 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-owned luxury goods business.

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.

The accounting policies of the reportable operating segments are the same as described in Note 3(v). Transfer prices between operating segments are on an arm length's basis in a manner similar to transactions with third parties.

(a) Segment revenues and results

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

	Segment revenue		**Segment (loss)/profit**	
	2021	2020	2021	2020
	S$'000	S$'000	S$'000	S$'000
Distribution	1,208	5,458	(579)	46
Pre-owned luxury goods sales	33,125	5,433	323	69
Consumer electronics sales	16,619	18,754	(632)	(464)
Customer services	2,489	3,148	626	336
Corporate	-	-	327	(163)
	53,441	32,793	65	(176)
Share of results of associate			-	(46)
Interest income			-	225
Finance costs			(404)	(269)
Loss before income tax			(339)	(266)

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

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

30 Segment Information (cont'd)

(b) Reconciliation

	Group	
	2021	2020
	S$'000	S$'000
Segment assets		
Distribution	491	1,529
Pre-owned luxury goods sales	27,081	6,337
Consumer electronic sales	4,370	4,767
Customer services	575	769
Corporate	3,469	7,019
Total segment assets	35,986	20,421
Unallocated: Investment in an associate	-	812
Consolidated total assets	35,986	21,233
Segment liabilities		
Distribution	36	90
Pre-owned luxury goods sales	15,019	1,602
Consumer electronic sales	404	1,199
Customer services	733	365
Corporate	555	291
Total segment liabilities	16,747	3,547
Unallocated: Loans and borrowings (excluding lease liabilities)	3,493	3,632
Consolidated total liabilities	20,240	7,179

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

- all assets are allocated to reportable segments other than investment in an associate; and
- all liabilities are allocated to reportable segments other than loans and borrowings.

(c) Other segment information

	Depreciation		Additions to non-current assets	
	2021	2020	2021	2020
	S$'000	S$'000	S$'000	S$'000
Distribution	6	4	17	-
Pre-owned luxury goods sales	300	16	1,870	100
Consumer electronics sales	340	346	5	10
Customer services	77	97	22	72
Corporate	178	186	3	-
	901	649	1,917	182

30 Segment Information (cont'd)

(d) Geographical information

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

	Revenue		Non-current assets	
	2021	2020	2021	2020
	S$'000	S$'000	S$'000	S$'000
Singapore	21,148	21,923	4,005	4,545
Hong Kong	338	414	-	-
Indonesia	52	160	-	-
Philippines	1,883	5,605	3	5
United States	29,967	4,635	-	19
Korea	53	56	23	-
Vietnam	-	-	16	-
Thailand	-	-	9	16
Japan	-	-	47	-
	53,441	32,793	4,103	4,585

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

Information about major customers

Revenues from 3 major customers amount to S$8,490,470 (2020: S$7,707,000) arising from sales by the electronics sales segment and pre-owned luxury goods sales.

31 Events Occurring After The Reporting Period

On 31 March 2022 Polaris Network ceased operating the Parkway Parade Apple Premium Reseller (APR) store.

On 14 March 2022 Polaris Explorer received the 4th and final quarterly payment of PHP 7.5 million (S$204,000) for the disposal of its 40% share of Polaristitans Philippines Inc.

On 1 March 2022 Marque Luxury Pte. Ltd., an indirect 51% owned subsidiary of the Company, together with Polaris Explorer Pte. Ltd., a 100% owned subsidiary of the Company, incorporated a subsidiary, PT Mastro Luxe Indonesia, in the Republic of Indonesia.

On 22 February 2022 Marque Luxury America LLC entered into a subscription agreement with an investor in relation to the Potential Injection, pursuant to which MLA shall sell and issue to the Investor, and the Investor shall purchase from MLA, 608,000 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, on the terms and subject to the conditions of the Agreement. Following the completion of the Potential Injection, it is contemplated that the Group's effective interest in MLA will be reduced from 51% to 19.99% by 22 February 2023.

On 7 February 2022 Polaris Device Pte. Ltd. a wholly-owned subsidiary of the Company, has resolved and commenced members' voluntary liquidation.

32 Impact of COVID-19 Pandemic

The impact of the COVID-19 has created a high level of uncertainty to the near-term global economic prospects and caused disruptions to various businesses. The Group is taking precautionary measures to deal with the COVID-19 outbreak in accordance with guidelines provided by the authorities in the respective countries which the Group operates in.

The COVID-19 pandemic has impacted the Group’s operations and financial performance. Management has taken or is taking certain measures to deal with the impact such as negotiations with lenders to confirm the continuing availability of credit facilities or to source for new facilities, if required, and actions taken to manage the Group's liquidity and/or to conserve cash flow. Management has also determined that the COVID-19 pandemic has not created a material uncertainty that casts doubt on the Group’s ability to continue as a going concern.

STATISTICS OF **SHAREHOLDINGS**
As at 25 May 2022

Issued and fully paid-up capital	:	$407,519,502
No. of shares issued	:	17,053,169,818 Ordinary shares
Class of shares	:	Ordinary shares
Voting rights	:	One vote per Ordinary share
Treasury shares and subsidiary holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	302	2.88	4,134	0.00
100 – 1,000	6,813	64.86	2,158,291	0.01
1,001 - 10,000	852	8.11	3,014,700	0.02
10,001 - 1,000,000	2,310	21.99	448,281,601	2.63
1,000,001 and above	227	2.16	16,599,711,092	97.34
Total	**10,504**	**100.00**	**17,053,169,818**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1	Raffles Nominees (Pte) Limited	8,739,169,063	51.25
2	DBSN Services Pte Ltd	6,729,406,189	39.46
3	DBS Nominees Pte Ltd	76,747,196	0.45
4	Ong Kok Wah	70,000,000	0.41
5	Liu Kevin Yi Feng	60,000,000	0.35
6	Phillip Securities Pte Ltd	48,585,260	0.29
7	CGS-CIMB Securities (Singapore) Pte Ltd	43,731,715	0.26
8	Lee Jessie	41,308,170	0.24
9	Citibank Nominees Singapore Pte Ltd	39,805,365	0.23
10	Ang Chin San	28,431,000	0.17
11	United Overseas Bank Nominees Pte Ltd	25,356,320	0.15
12	Zeng Hang Cheng	21,000,000	0.12
13	OCBC Nominees Singapore Pte Ltd	16,812,100	0.10
14	Teo Ngee Hua	16,000,443	0.09
15	OCBC Securities Private Ltd	15,477,340	0.09
16	Lim Woei Ming Michael	15,000,000	0.09
17	Law Peng Kwee	13,972,000	0.08
18	Ifast Financial Pte Ltd	12,634,655	0.07
19	Tan Eng Chua Edwin	11,776,200	0.07
20	Lee Aik Chiang	11,000,000	0.07
	Total	**16,036,213,016**	**94.04**

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 25 May 2022.

	Direct Interest		Deemed Interest		Total Interest	
Name of Substantial Shareholder	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Sugiono Wiyono Sugialam	326,003,652	1.91	10,469,189,374[1]	61.39	10,795,193,026	63.30
Tres Maria Capital Ltd	3,867,140,015[2]	22.68	4,065,786,837[3]	23.84	7,932,926,852	46.52
PT SL Trio	2,536,262,522	14.87	-	-	2,536,262,522	14.87
Standard Chartered Private Equity Limited[4]	-	-	4,065,786,837[3]	23.84	4,065,786,837	23.84
Standard Chartered Asia Limited[5]	-	-	4,065,786,837[3]	23.84	4,065,786,837	23.84
Standard Chartered MB Holdings B.V.[6]	-	-	4,065,786,837[3]	23.84	4,065,786,837	23.84
Standard Chartered Holdings (International) B.V.[7]	-	-	4,065,786,837[3]	23.84	4,065,786,837	23.84
SCMB Overseas Limited[8]	-	-	4,065,786,837[3]	23.84	4,065,786,837	23.84
Standard Chartered Bank[9]	-	-	4,065,786,837[3]	23.84	4,065,786,837	23.84
Standard Chartered Holdings Limited[10]	-	-	4,065,786,837[3]	23.84	4,065,786,837	23.84
Standard Chartered PLC[10]	-	-	4,065,786,837[3]	23.84	4,065,786,837	23.84
Augusta Investments Zero Pte. Ltd.[11]	4,406,850,233	25.84	-	-	4,406,850,233	25.84
Augusta AB Holdco Pte. Ltd.[11,12]	-	-	4,406,850,233	25.84	4,406,850,233	25.84
Augusta Fundco Pte. Ltd.[12,13]	-	-	4,406,850,233	25.84	4,406,850,233	25.84
Augusta Fund 1, LP[13,14]	-	-	4,406,850,233	25.84	4,406,850,233	25.84
Augusta GP Pte. Ltd.[14]	-	-	4,406,850,233	25.84	4,406,850,233	25.84
Affirma Capital Managers (Singapore) Pte. Ltd.[14,15]	-	-	4,406,850,233	25.84	4,406,850,233	25.84
Affirma Capital (Singapore) Pte. Ltd.[14,15,16]	-	-	4,406,850,233	25.84	4,406,850,233	25.84
Affirma Capital Limited[16]	-	-	4,406,850,233	25.84	4,406,850,233	25.84

Notes:

(1) This represents Mr Sugiono Wiyono Sugialam's deemed interest of :-

(a) 7,932,926,852 shares held by Tres Maria Capital Ltd. by virtue of his 100% shareholdings in Tres Maria Capital Ltd; and
(b) 2,536,262,522 shares held by PT SL Trio by virtue of his majority shareholdings in PT SL Trio.

(2) Tres Maria Capital Ltd's direct interest of 3,867,140,015 shares are registered in the name of DBSN Service Pte. Ltd..

(3) On 6 August 2014, Tres Maria Capital Ltd and Standard Chartered Private Equity Limited entered into a security agreement over shares ("the Deed") whereby, *inter alia*, Tres Maria Capital Ltd agreed to charge in favour of Standard Chartered Private Equity Limited by way of first mortgage, 4,236,318,535 shares in the capital of Polaris Ltd.

On 15 October 2014, pursuant to the provisions of the Deed, a notice of the mortgage and assignment has been issued by the relevant parties for the purposes of creating the charge over the shares.

On 27 May 2015, Tres Maria Capital Ltd and Standard Chartered Private Equity Limited entered into a Deed of Partial Release, pursuant to which, *inter alia*, Standard Chartered Private Equity Limited agreed to release its security over, and reassign, 170,531,698 Shares ("Released Shares"), and Tres Maria Capital Ltd agreed to transfer the Released Shares to Standard Chartered Private Equity Limited immediately following the release and reassignment.

(4) Standard Chartered Private Equity Limited is a wholly owned subsidiary of Standard Chartered Asia Limited.

(5) Standard Chartered Asia Limited is a 99.9% owned subsidiary of Standard Chartered MB Holdings B.V..

(6) Standard Chartered MB Holdings B.V. is a wholly owned subsidiary of Standard Chartered Holdings (International) B.V..

(7) Standard Chartered Holdings (International) B.V. is a wholly owned subsidiary of SCMB Overseas Limited.

(8) SCMB Overseas Limited is a wholly owned subsidiary of Standard Chartered Bank.

(9) Standard Chartered Bank is a wholly owned subsidiary of Standard Chartered Holdings Limited.

(10) Standard Chartered Holdings Limited is a wholly owned subsidiary of Standard Chartered PLC.

(11) Augusta Investments Zero Pte. Ltd. is a wholly owned subsidiary of Augusta AB Holdco Pte. Ltd..

(12) Augusta AB Holdco Pte. Ltd. is a wholly owned subsidiary of Augusta Fundco Pte. Ltd..

(13) Augusta Fundco Pte. Ltd. is a wholly owned subsidiary of Augusta Fund 1, LP.

(14) Augusta GP Pte. Ltd. is the general partner of Augusta Fund 1, LP. and a wholly owned subsidiary of Affirma Capital (Singapore) Pte. Ltd..

(15) Affirma Capital Managers (Singapore) Pte. Ltd. is the fund manager of Augusta Fund 1, LP and a wholly owned subsidiary of Affirma Capital (Singapore) Pte. Ltd..

(16) Affirma Capital (Singapore) Pte. Ltd. is a wholly owned subsidiary of Affirma Capital Limited.

FREE FLOAT

As at 25 May 2022, approximately 10.86% of the issued ordinary shares of the Company are held in the hands of the public (on the basis of information available to the Company).

Accordingly, the Company has complied with Rule 723 of the Catalist Rules that an issuer must ensure that at least 10% of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is at all times held by the public.

RULE 1204(7)

A statement (as at the 21st day after the end of the financial year) showing the direct and deemed interests of each Director of the Company in the Company's shares and convertible securities has been disclosed in the Directors' Statement on page 55 to 57 of this annual report, and the word "debentures" as stated therein should be read to include all convertible securities.

NOTICE OF **ANNUAL GENERAL MEETING**

This Notice of the Annual General Meeting (the "**Notice**") of Polaris Ltd. (the "**Company**") has been made available on SGXNET and the Company's website at the URL: http://wearepolaris.sg. A printed copy of this Notice will NOT be despatched to shareholders.

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be convened and held by way of electronic means via a live audio and video webcast on Wednesday, 29 June 2022 at 11.00 a.m. (the "**AGM**") for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2021 together with the Directors' Statement and Auditors' Report thereon. Resolution 1

2. To re-elect Mr Masahiko Yabuki who is retiring pursuant to Regulation 86 of the Company's Constitution and who, being eligible, offered himself for re-election.
[See Explanatory Notes] Resolution 2

3. To re-elect Ms Diana Airin who is retiring pursuant to Regulation 86 of the Company's Constitution and who, being eligible, offered herself for re-election.
[See Explanatory Notes] Resolution 3

4 To re-elect Ms Wong Leng Yee Serena who is retiring pursuant to Regulation 93 of the Company's Constitution and who, being eligible, offered herself for re-election.
[See Explanatory Notes] Resolution 4

5. To re-appoint Moore Stephens LLP as the Auditors of the Company until the conclusion of the Company's next Annual General Meeting and authorise the Directors of the Company to fix their remuneration. Resolution 5

6. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

7. To approve Directors' fees of up to S$75,000 for the financial year ending 31 December 2022 (2021: S$94,742). Resolution 6

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

8. Authority to allot and issue shares

THAT pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Ordinary Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Ordinary Resolution was in force,

provided that:

(i) the aggregate number of Shares to be issued pursuant to this Ordinary Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution) does not exceed 100% of the total number of issued shares in the capital of the Company excluding treasury shares and subsidiary holdings (as calculated in accordance with sub paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution) does not exceed 50% of the total number of issued shares in the capital of the Company excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued shares shall be based on the total number of issued shares in the capital of the Company excluding treasury shares and subsidiary holdings at the time of passing of this Ordinary Resolution, after adjusting for:

(1) new Shares arising from the conversion or exercise of any convertible securities;

(2) (where applicable) new Shares arising from exercise of share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of Catalist Rules; and

(3) any subsequent bonus issue, consolidation or subdivision of Shares;

(iii) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(iv) unless revoked or varied by the Company at general meeting, the authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier; and

(c) the Directors be and are hereby authorised to do any and all acts which they deem necessary and expedient in connection with paragraphs (a) and (b) above.

Resolution 7

BY ORDER OF THE BOARD

SOENNERSTEDT CARL JOHAN PONTUS

Executive Director & CEO
7 June 2022
Singapore

Explanatory Notes

On Ordinary Business

In relation to item 2, Mr Masahiko Yabuki will, upon re-election as a Director of the Company, remain as an Independent Non-Executive Director of the Company, the Chairman of the Nominating Committee and a member of the Audit and Risk Management Committee and the Remuneration Committee. The Board considers him to be independent for the purpose of Rule 704(7) of the Catalist Rules.

There are no relationships (including immediate family relationships) between Mr Masahiko Yabuki and the other Directors, the Company or the substantial shareholder(s) of the Company.

In relation to item 3, Ms Diana Airin will, upon re-election as a Director of the Company, remain as an Independent Non-Executive Director of the Company, the Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee and the Nominating Committee. The Board considers her to be independent for the purpose of Rule 704(7) of the Catalist Rules.

There are no relationships (including immediate family relationships) between Ms Diana Airin and the other Directors, the Company or the substantial shareholder(s) of the Company.

In relation to item 4, Ms Wong Leng Yee Serena will, upon re-election as a Director of the Company, remain as an Independent Non-Executive Director of the Company, the Chairman of the Audit and Risk Management Committee and a member of the Nominating Committee and the Remuneration Committee. The Board considers her to be independent for the purpose of Rule 704(7) of the Catalist Rules.

There are no relationships (including immediate family relationships) between Ms Wong Leng Yee Serena and the other Directors, the Company or the substantial shareholder(s) of the Company.

Detailed information on Mr Masahiko Yabuki, Ms Diana Airin and Ms Wong Leng Yee Serena can be found under the "Board of Directors" and "Corporate Governance Report" sections in the Company's annual report for the financial year ended 31 December 2021.

On Special Business

Statement Pursuant to Regulation 57(3) of the Company's Constitution

The effect of the resolutions under the heading "Special Business" in this Notice of the Annual General Meeting are:-

(i) The Ordinary Resolution 6 proposed in item 7 above is to approve the payment of Directors' fees for the financial year ending 31 December 2022.

(ii) The Ordinary Resolution 7 proposed in item 8 above is to allow the Directors of the Company from the date of that meeting until the next Annual General Meeting to issue further shares in the Company. The maximum number of shares which the Directors may issue under this resolution shall not exceed the quantum set out in the resolution.

IMPORTANT INFORMATION

As part of the Company's efforts to minimise the risk of community spread of COVID-19, the AGM will be convened and held by way of electronic means pursuant to the provisions of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation titled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation".

Shareholders of the Company ("**Shareholders**") should take note of the following arrangements for the AGM:

(a) **Attendance in Person**: The AGM will be conducted only by electronic means and Shareholders will not be able attend the AGM physically. The proceedings of the AGM will be broadcast through a "live" audio-visual webcast ("**Live Webcast**") or "live" audio-only feed ("**Live Audio Feed**"). Shareholders will not be able to attend the AGM in person. Please pre-register for the Live Webcast or Live Audio Feed if you wish to attend the AGM.

(b) **Live Webcast and Live Audio Feed**: All Shareholders as well as investors who hold shares through relevant intermediaries (as defined in Section 181(1C) of the Companies Act) ("**Investors**") (including Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS investors**")), who wish to follow the proceedings of the AGM through the Live Webcast or Live Audio Feed must pre-register online at URL: conveneagm.sg/polarisagm2022 ("**Pre-Registration Website**") for verification purposes. The Pre-Registration Website will be open for pre-registration from 9.00 p.m. on 7 June 2022 and will close at 11.00 a.m. on 26 June 2022 ("**Registration Deadline**"). Following successful verification, an email will be sent to you on or around 11.00 a.m. on 27 June 2022 via the e-mail address provided on pre-registration ("**Confirmation Email**"). Please follow the instructions contained in the Confirmation Email to access the Live Webcast or Live Audio Feed.

Shareholders who have registered by the Registration Deadline but do not receive the Confirmation Email by 11.00 a.m. on 28 June 2022 may contact the Company at support@conveneagm.com.

If you have any queries on the Live Webcast and Live Audio Feed viewable online via URL: conveneagm.sg/polarisagm2022, please email support@conveneagm.com, or call the toll-free telephone number 800 852 3335.

(c) **Submission of Questions**: Shareholders and Investors will not be able to ask questions "live" via the webcast. All Shareholders and Investors can submit questions relating to the business of the AGM either (i) via electronic mail to IR@wearepolaris.com, or (ii) via the pre-registration website URL: conveneagm.sg/polarisagm2022. Questions must be submitted by 11.00 a.m. on 22 June 2022 ("**Cut-off**"). The Company will endeavour to respond to substantial and relevant questions received from Shareholders via SGXNET and the Company's website prior to the AGM, or during the AGM. Where there are substantially similar questions the Company will consolidate such questions; consequently not all questions may be individually addressed.

Although the Cut-off time for submitting questions is 11.00 a.m. on 22 June 2022, Shareholders and Investors are, however, encouraged to submit their questions in accordance with this paragraph earlier than the Cut-off time so that they may have the benefit of the answers to their questions (where substantial and relevant to the agenda of the AGM) prior to submitting their proxy forms.

The Board will address all substantial and relevant questions submitted in advance of the AGM by publishing the responses to such questions on SGXNet and the Company's website at https://wearepolaris.sg/agm/, if any, on 24 June 2022, by at least forty-eight (48) hours prior to the closing date and time for the lodgment of the proxy forms.

If there are questions submitted after the Cut-off time, or if there are subsequent clarifications sought, or follow-up questions, the Board may address them at the AGM.

(d) **Voting solely via appointing Chairman as Proxy**: Shareholders will only be able to vote at the AGM by appointing the Chairman as proxy to vote on their behalf. Duly completed Proxy Forms must be deposited (i) via electronic mail to the Company's Share Registrar, M & C Services Private Limited at GPC@mncsingapore.com (e.g. a clear scanned signed form in PDF), (ii) via post at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01 Singapore 068902, or (iii) via the pre-registration website at the URL: conveneagm.sg/polarisagm2022, and submitted not less than seventy-two 72 hours before the time appointed for the holding of the AGM. The Proxy Form can be downloaded from SGXNET or the Company's website. In the Proxy Form, a Shareholder should specifically direct the proxy on how he/she is to vote for or vote against (or abstain from voting on) the resolutions to be tabled at the AGM.

(e) **Investors who hold through Relevant Intermediaries (including CPF/SRS Investors)**: Investors (including CPF/SRS investors) should not make use of the Proxy Form and should instead approach their respective relevant intermediary as soon as possible to specify voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF Agent Bank / SRS Operator at least seven (7) working days before the AGM (i.e. by 20 June 2022), to ensure that their votes are submitted.

Access to documents or information relating to the AGM

All documents and information relating to the business of the AGM (including this Notice of AGM, the Proxy Form and the Annual Report) have been published on SGXNET (www.sgx.com) and the Company's website at http://wearepolaris.sg. Printed copies will not be sent to Shareholders.

Further Updates

Shareholders should note that the manner of conduct of the AGM may be subject to further changes based on the evolving COVID-19 situation, any legislative amendments and any directives or guidelines from government agencies or regulatory authorities. Any changes to the manner of conduct of the AGM will be announced by the Company on SGXNET. Shareholders are advised to check SGXNET and the Company's website regularly for further updates.

Notes:

(1) If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

(2) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time fixed for holding the Annual General Meeting in order for the Depositor to be entitled to attend and vote at the Annual General Meeting.

(3) The instrument appointing a proxy must be signed by the appointer or his/her attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the instrument of proxy, failing which the instrument may be treated as invalid.

Personal data privacy:

By (a) submitting an instrument appointing the Chairman of the AGM as a proxy to vote at the AGM and/or any adjournment thereof, or (b) completing the pre-registration in accordance with this Notice, or (c) submitting any question prior to the AGM in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes (the "**Purposes**"):

(i) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the AGM as a proxy for the AGM (including any adjournment thereof);
(ii) the processing of the pre-registration for purposes of granting access to members (or their corporate representatives in the case of members which are legal entities) to the live webcast or live audio feed of the AGM proceedings and providing them with any technical assistance where necessary;
(iii) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;
(iv) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and
(v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

A member also warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/ or representative(s) for the Purposes, and agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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*This document 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 document, including the correctness of any of the statements or opinions made or reports contained in this document.*

The contact person for the Sponsor is Mr Yap Wai Ming:
Tel: 6389 3000
Email: waiming.yap@morganlewis.com

PROXY FORM
(Please see notes overleaf before completing this Form)

polaris

POLARIS LTD.
(Incorporated in the Republic of Singapore)
(Unique Entity Number: 198404341D)

IMPORTANT:

1. For investors who have used their CPF and/or SRS monies to buy shares in the Company, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
2. CPF and/or SRS investors are requested to contact their respective Agent Banks at least seven (7) working days before the AGM to specify voting instructions and to ensure that their votes are submitted.

I/We*________________________________ *(Name),* NRIC/Passport/Company Registration* No. ____________________________ of
____*(Address)*

being a member/members* of **POLARIS LTD.** (the "**Company**"), hereby appoint the chairman of the Annual General Meeting ("**AGM**") as my/our* proxy to attend, speak and vote for me/us* on my/our* behalf at the AGM of the Company to be held by way of electronic means on Wednesday, the 29th day of June 2022 at 11.00 a.m. and at any adjournment thereof. I/We* direct my/our* proxy to vote for or against or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy will vote or abstain from voting at his/her discretion.

(If you wish your proxy to cast all your votes "For" or "Against" a resolution, please tick (√) in the "For" or "Against" box provided. Alternatively, please indicate the number of votes as appropriate. If you wish your proxy to abstain from voting on a resolution, please tick (√) in the "Abstain" box provided. Alternatively, please indicate the number of shares that your proxy is directed to abstain from voting.)

No.	Ordinary Resolutions	For	Against	Abstain
Ordinary Business				
1.	To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2021 together with the Directors' Statement and Auditors' Report thereon			
2.	Re-election of Mr Masahiko Yabuki as a Director of the Company pursuant to Regulation 86 of the Company's Constitution			
3.	Re-election of Ms Diana Airin as a Director of the Company pursuant to Regulation 86 of the Company's Constitution			
4.	Re-election of Ms Wong Leng Yee Serena as a Director of the Company pursuant to Regulation 93 of the Company's Constitution			
5.	Re-appointment of Moore Stephens LLP as Auditors of the Company and authorising the Directors to fix their remuneration			
Special Business				
6.	Approval of Directors' fees of up to S$75,000 for the financial year ending 31 December 2022			
7.	Authority to allot and issue shares			

**Please delete accordingly.*

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Dated this .... day of .... 2022.

....
Signature(s) of Member(s) or Common Seal of Corporate Shareholder

Important: Please read notes overleaf.

Notes:

1. In accordance with the alternative arrangements under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, members of the Company who wish to have their votes cast at the AGM must appoint the Chairman of the AGM as their proxy to do so.

2. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

3. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

4. The instrument appointing a proxy or proxies, together with the power of attorney (if any) under which it is signed or a notarially certified thereof, shall be deposited (i) via electronic mail to the Company's Share Registrar, M & C Services Private Limited at GPC@mncsingapore.com (e.g. a clear scanned signed form in PDF), (ii) via post to the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01 Singapore 068902, or (iii) via the pre-registration website URL: conveneagm.sg/polarisagm2022, and submitted not less than seventy-two (72) hours before the time appointed for the holding of the AGM.

5. Please indicate with a tick [✓] in the spaces provided whether you wish your vote(s) to be for or against the Resolutions or to abstain from voting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/she/they may think fit, as he/she/they will on any other matter arising at the Meeting.

6. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

7. In the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the Meeting as certified by The Central Depository (Pte) Limited to the Company.

8. An investor who buys shares using Central Provident Fund ("**CPF**") monies ("**CPF Investor**") and/or Supplementary Retirement Scheme ("**SRS**") monies ("**SRS Investor**") (as may be applicable) should not make use of this Proxy Form and should instead approach their respective relevant intermediary as soon as possible to specify voting instructions. CPF/SRS Investors who wish to vote should approach their respective CPF Agent Bank / SRS Operator at least seven (7) working days before the date of the AGM (i.e. by 20 June 2022), to ensure that their votes are submitted.

Personal data privacy:

By (a) submitting an instrument appointing the Chairman of the AGM as a proxy to vote at the AGM and/or any adjournment thereof, or (b) completing the pre-registration in accordance with this Notice, or (c) submitting any question prior to the AGM in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes (the "**Purposes**"):

(i) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the AGM as a proxy for the AGM (including any adjournment thereof);
(ii) the processing of the pre-registration for purposes of granting access to members (or their corporate representatives in the case of members which are legal entities) to the live webcast or live audio feed of the AGM proceedings and providing them with any technical assistance where necessary;
(iii) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;
(iv) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and
(v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

A member also warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/ or representative(s) for the Purposes, and agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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