

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

MATERIAL VARIANCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Board of Directors (the “**Board**” or “**Directors**”) of Polaris Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the unaudited condensed interim consolidated financial statements for the financial year ended 31 December 2023 (“**FY2023**”) as announced on 1 March 2024 (the “**Unaudited Results**”).

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board wishes to announce the material variances between the audited financial statements of the Group for FY2023 (the “**Audited Results**”) and the Unaudited Results.

A comparison of the Audited Results and the Unaudited Results with the relevant explanatory notes are shown below:

Extract of Consolidated Statement of the Group’s Comprehensive Income for FY2023

	Per Audited Results	Per Unaudited Results	Variance		Note
	\$'000	\$'000	\$'000	%	
Other Income	428	118	310	262.7	A
Finance Cost	(91)	(80)	(11)	(13.8)	B
Other Expenses	(417)	(268)	(149)	(55.6)	C

Extract of Consolidated Statement of Financial Position of the Group as at 31 December 2023

	Per Audited Results	Per Unaudited Results	Variance		Note
	\$'000	\$'000	\$'000	%	
Trade and Other Receivables	2,481	2,672	(191)	(7.1)	D
Inventories	1,388	1,539	(151)	(9.8)	E
Prepayment	337	460	(123)	(26.7)	F
Trade and Other Payables	716	959	243	25.3	G
Foreign exchange reserve	(557)	138	(695)	(503.6)	H
Non-controlling interests	(1,026)	(372)	(654)	(175.8)	I

Extract of Consolidated Statement of Cash Flow for FY2023

	Per Audited Results	Per Unaudited Results	Variance		Note
	\$'000	\$'000	\$'000	%	
Net cash flows used in operations activities	(2,710)	(3,021)	311	10.3	J
Net cash flows used in investing activities	(627)	(401)	(226)	(56.4)	K
Net cash flows used in financing activities	(483)	(459)	(24)	(5.2)	L

Explanatory notes:

- A. The increase is mainly due to recognition of government grant of S\$100,000, reversal of inventory impairment allowance of S\$124,000 and retranslation of foreign exchange of S\$86,000.
- B. The increase is mainly due to the adjustment of interest expense of lease liabilities.
- C. The increase is mainly due to the recognition of employee benefit liabilities of S\$67,000 and the allowance of expected credit loss for receivables of S\$34,000.
- D. The decrease is mainly due to an adjustment for allowance of expected credit loss for receivables of S\$34,000 and over-recognition of the amount due from joint operation of S\$157,000.
- E. The decrease is mainly due to the allocation of joint arrangement (SFRS(I) 11) share of inventories of S\$151,000.
- F. The decrease is mainly due to reclassification adjustments to property, plant and equipment of S\$55,000, amortisation of prepayment of S\$53,000 and adjustment for foreign exchange translation of S\$15,000.
- G. The decrease in adjustment is mainly due to over-recognition of the amount due to joint operation of S\$195,000.
- H. The decrease is mainly due to reclassification from accumulated losses to foreign exchange reserves.
- I. The increase is mainly due to the allocation of accumulated losses to non-controlling interest.
- J. Reclassification to cash used in investing activities for purchase of property, plant and equipment, principal payment of lease liabilities and intangible assets.
- K. Reclassification from cash used in operating activities as explained in Note J.
- L. Reclassification from cash used in operating activities as explained in Note J.

BY ORDER OF THE BOARD
POLARIS LTD.

Soennerstedt Carl Johan Pontus
Director and Chief Executive Officer
15 April 2024

This announcement has been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST"), and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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