

CIRCULAR DATED 15 APRIL 2024

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.

Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings ascribed to them in the section entitled "Definitions" of this Circular.

Please refer to the section entitled "**IMPORTANT INFORMATION**" in the Notice of EGM set out on pages N-1 to N-3 of this Circular. In addition, your attention is drawn to Section 3 (*Risk Factors Relating to the Proposed Diversification*) of this Circular, which you should review carefully.

If you have sold or transferred all your Shares held through CDP, you need not forward this Circular, the Notice of EGM and the accompanying Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular, the Notice of EGM and the accompanying Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately forward this Circular, the Notice of EGM and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

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

The contact person for the Sponsor is Mr. Jerry Chua, Registered Professional, Evolve Capital Advisory Private Limited, 138 Robinson Road, #13-02, Oxley Tower, Singapore 068906, Telephone (65) 6241 6626.



POLARIS LTD.

(Incorporated in Singapore)
(Company Registration No: 198404341D)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (A) THE PROPOSED DIVERSIFICATION; AND**
- (B) THE PROPOSED CAPITAL REDUCTION**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	4 May 2024 at 10.00 a.m
Date and time of Extraordinary General Meeting	:	7 May 2024 at 10.00 a.m.
Place of Extraordinary General Meeting	:	81 Ubi Avenue 4, #03-01, UB. One, Singapore 408830

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DEFINITIONS

For the purpose of this Circular, except where the context otherwise requires or is otherwise stated, the following definitions shall apply throughout:

DEFINITIONS

“Accumulated Losses”	:	The accumulated losses of the Company up to 31 December 2023 amounting to S\$398,256,000, as further described in <u>Section 5.1</u> of this Circular
“Aggregated Transactions”	:	Has the meaning ascribed to it in <u>Section 4</u> of this Circular
“Board”	:	The Board of Directors of the Company as at the Latest Practicable Date
“BSF”	:	Black soldier fly (<i>Hermetia Illucens</i>)
“BSFL”	:	Black soldier fly (<i>Hermetia Illucens</i>) larvae
“Capital Reduction Resolution”	:	The special resolution relating to the Proposed Capital Reduction, as set out in the Notice of EGM
“Catalist”	:	The Catalist Board of the SGX-ST, being the sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“CPF”	:	Central Provident Fund
“Circular”	:	This circular to Shareholders dated 15 April 2024
“Companies Act”	:	The Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time
“Company”	:	Polaris Ltd. (Company Registration No.: 198404341D) having its registered address at 81 Ubi Avenue 4, #03-11, UB. One, Singapore 408830
“Constitution”	:	The Constitution of the Company as at the date of this Circular
“Director”	:	A director of the Company as at the Latest Practicable Date
“Effective Date”	:	Has the meaning ascribed to it in <u>Section 5.7</u> of this Circular. The specific Effective Date will be announced by the Company in due course
“EGM” or “Extraordinary General Meeting”	:	The extraordinary general meeting of the Company to be convened and held at 81 Ubi Avenue 4, #03-01, UB. One, Singapore 408830 on 7 May 2024 at 10.00 a.m., a notice of which is set out on pages N-1 to N-3 of this Circular

DEFINITIONS

“Existing Core Businesses”	: The Group’s principal business activities, comprising: (a) importing, exporting, consigning, selling, distribution and marketing of premium luxury lifestyle products; (b) provision of after-market services to end consumers for equipment repairs and technical services in Singapore; (c) corporate sales of information technology and related products in Singapore; (d) Group-level corporate services, treasury functions and investment in marketable securities, as more particularly described in <u>Section 2.1</u> of this Circular
“Existing Share Capital”	: The existing issued and paid-up share capital of the Company (excluding treasury shares) of S\$402,746,541.42 comprising 17,053,169,818 Shares, as at the Latest Practicable Date
“First Major Transaction”	: Has the meaning ascribed to it in <u>Section 4</u> of this Circular
“FY”	: Financial year ended 31 December
“Group”	: The Company and its subsidiaries, collectively, as at the date of this Circular
“ITG”	: Insect Technologies Group Private Limited (Company Registration No.: 202337234Z), a Company incorporated in the Republic of Singapore with its registered address at 72 Punggol Walk, #12-46, A Treasure Trove, Singapore 828786.
“IXT”	: IX Terra Pte. Ltd. (Company Registration No.: 202348209K), a subsidiary of the Company incorporated in the Republic of Singapore with its registered address at 81 Ubi Avenue 4, #03-11, UB. One, Singapore 408830. PNPL holds 65% of the shares in IXT, and ITG holds the remaining 35% of the shares
“Latest Practicable Date”	: 12 April 2024, being the latest practicable date prior to the release of this Circular
“LPS”	: Loss per share
“Major Transaction”	: Has the meaning ascribed to it in <u>Section 4</u> of this Circular
“Mastro Luxe”	: Mastro Luxe Pte. Ltd. (Company Registration No.: 201937542K), a 51% indirect subsidiary of the Company incorporated in Singapore with its registered address at 81 Ubi Avenue 4, #03-11, UB. One, Singapore 408830
“New Green Protein Business”	: Has the meaning ascribed to it in <u>Section 2.2</u> of this Circular
“Notice of EGM”	: The notice of the EGM which is set out on pages N-1 to N-3 of this Circular
“NTA”	: Net tangible assets
“Palm Kernel Expeller”	: Raw palm kernel expeller waste

DEFINITIONS

“PEPL”	:	Polaris Explorer Pte. Ltd. (Company Registration No.: 201419041E), a wholly-owned subsidiary of the Company incorporated in Singapore with its registered address at 81 Ubi Avenue 4, #03-11, UB. One, Singapore 408830
“PNPL”	:	Polaris Network Pte. Ltd. (Company Registration No.: 201220473G), a wholly-owned subsidiary of the Company incorporated in Singapore with its registered address at 81 Ubi Avenue 4, #03-11, UB. One, Singapore 408830
“Proposed Capital Reduction”	:	Has the meaning ascribed to it in <u>Section 5.1</u> of this Circular
“Proposed Diversification”	:	The proposed diversification of the Group’s business into the New Green Protein Business, as further detailed in <u>Section 2.2</u> of this Circular
“Proposals”	:	Has the meaning ascribed to it in <u>Section 1.1</u> of this Circular
“Proxy Form”	:	The proxy form in respect of the EGM as attached to this Circular
“PT POI”	:	PT Polaris Orbit Indonesia (Registration No.: 4022111831104961), a subsidiary of the Company incorporated in the Republic of Indonesia with its registered address at Gedung Trio Lantai 8, Jalan Kebon Sirih Nomor Kebon Sirih, Menteng Kota Adm, Jakarta Pusat DKI Jakarta. The Company holds 99% of the shares in PT POI and PEPL holds the remaining 1% of the shares
“Register of Members”	:	Register of members of the Company
“Registrar”	:	Has the meaning ascribed to it in Section 4(1) of the Companies Act
“Resolutions”	:	The ordinary resolution relating to the Proposed Diversification and the special resolution relating to the Capital Reduction Resolution as set out in the Notice of EGM
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as may be amended, modified or supplemented from time to time
“SGXNET”	:	The system maintained by the SGX-ST for announcements by listed companies
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share”	:	An ordinary share in the capital of the Company, and “Shares” shall be construed accordingly
“Shareholders”	:	The registered holders of Shares except that where the registered holder is CDP, the term <i>“Shareholders”</i> in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited
“Sponsor”	:	The continuing sponsor of the Company, Evolve Capital Advisory Private Limited
“SRS”	:	Supplementary Retirement Scheme
“Substantial Shareholder”	:	A person (including a corporation) who (a) has an interest or interests in one or more voting shares in the Company and (b) the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the Company

DEFINITIONS

“%” : Per cent or percentage

“S\$” and “cents” : Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore

The terms “**Depositor**”, “**Depository**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms “treasury shares”, “**subsidiary**”, and “**related corporations**” shall have the meanings ascribed to them respectively in Sections 4, 5 and 6 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

References to persons shall, where applicable, include firms, corporations and other entities.

References to “**Section**” are to the sections of this Circular, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to “**Rule**” or “**Chapter**” is a reference to the relevant rule or chapter in the Catalist Rules as for the time being, unless otherwise stated.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted up to the Latest Practicable Date. Any term defined under the Companies Act, the SFA, the Catalist Rules or any relevant laws of the Republic of Singapore or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Catalist Rules or any relevant laws of the Republic of Singapore or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date, unless otherwise stated.

Any discrepancies in figures included in this Circular between the listed amounts and the totals thereof are due to rounding; accordingly, the figures shown as totals in this Circular may not be an aggregation of the figures that precede them.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular, which are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would”, “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information.

These forward-looking statements, including but not limited to, statements as to revenue and profitability; any expected growth; any expected industry prospects and trends; planned strategy and future expansion plans; any other matters that are not historical facts; and any other matters discussed in this Circular, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s and/or the Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These risk factors and uncertainties are discussed in more detail in this Circular, in particular in Section 3 (*Risk Factors Relating to the Proposed Diversification*) of this Circular.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements.

Shareholders should not place undue reliance on such forward-looking statements. The Group and the Directors are not representing or warranting to you that the actual future results, performance or achievements of the Company and/or the Group will be as those discussed in those statements. The respective actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks we face. Further, the Company disclaims any responsibility and undertakes no obligation to update or revise any forward-looking statements contained in this Circular to reflect any change in the Group’s expectations with respect to such statements after the Latest Practicable Date or to reflect any change in events, conditions or circumstances on which the Company based any such statements subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

POLARIS LTD.

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

Directors:

Mr. Sugiono Wiyono Sugialam (Executive Director and Executive Chairman)
Mr. Soennerstedt Carl Johan Pontus (Executive Director and Chief Executive Officer)
Ms. Diana Airin (Independent Non-Executive Director)
Mr. Masahiko Yabuki (Independent Non-Executive Director)
Mr. Chong Eng Wee (Independent Non-Executive Director)
Mr. Tay Boon Zhuan (Independent Non-Executive Director)

Registered Office:

81 Ubi Avenue 4,
#03-11, UB. One,
Singapore 408830

15 April 2024

To: The Shareholders of Polaris Ltd.

Dear Sir / Madam,

(A) THE PROPOSED DIVERSIFICATION

(B) THE PROPOSED CAPITAL REDUCTION

1. INTRODUCTION

1.1. Purpose of Circular

The purpose of this Circular is to provide the Shareholders with information relating to and to seek the approval of Shareholders at the EGM to be held on 7 May 2024 at 10.00 a.m. by way of separate resolutions for the following proposals (the “**Proposals**”) as set out in this Circular:

- (a) the Proposed Diversification; and
- (b) the Proposed Capital Reduction.

1.2. Disclaimers

The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular. If a Shareholder is in any doubt as to the course of action he/she should take, he/she should consult his/her bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser(s) immediately.

1.3. Legal Adviser

The Company has appointed Chevalier Law LLC as its legal adviser as to Singapore law in relation to the Proposals set out in this Circular. The Company previously engaged Morgan Lewis Stamford LLC in relation to this Circular and/or the Proposals set out in this Circular.

2. THE PROPOSED DIVERSIFICATION

2.1. Existing Business of the Group

The Group is primarily involved in four (4) broad business segments (collectively, the “**Existing Core Businesses**”), namely:

- (a) The pre-loved luxury goods segment, which engages in the business of importing and exporting pre-loved luxury goods and premium lifestyle products on a wholesale and/or retail basis, with extensive operations in Asia under the Mastro Luxe and ALLU brands (operations in Singapore, Indonesia, Philippines, South Korea and South Africa);
- (b) the customer services segment, which provides after-market services to end customers for equipment repairs, refurbishments and technical services in Singapore;
- (c) the consumer electronics segment, which engages in the corporate sale of telecommunication, information technology, and consumer electronics products, primarily in Singapore. This segment offers a wide range of electronic products and services from reputable brands such as Apple; and
- (d) the corporate segment, which provides Group-level corporate services, treasury functions and investment in marketable securities. This segment is also involved in strategic investment and joint venture opportunities to synergise and complement the Group’s existing offerings.

The Group will continue with its Existing Core Businesses and remains committed in the continuance of the Existing Core Businesses for so long as it remains viable.

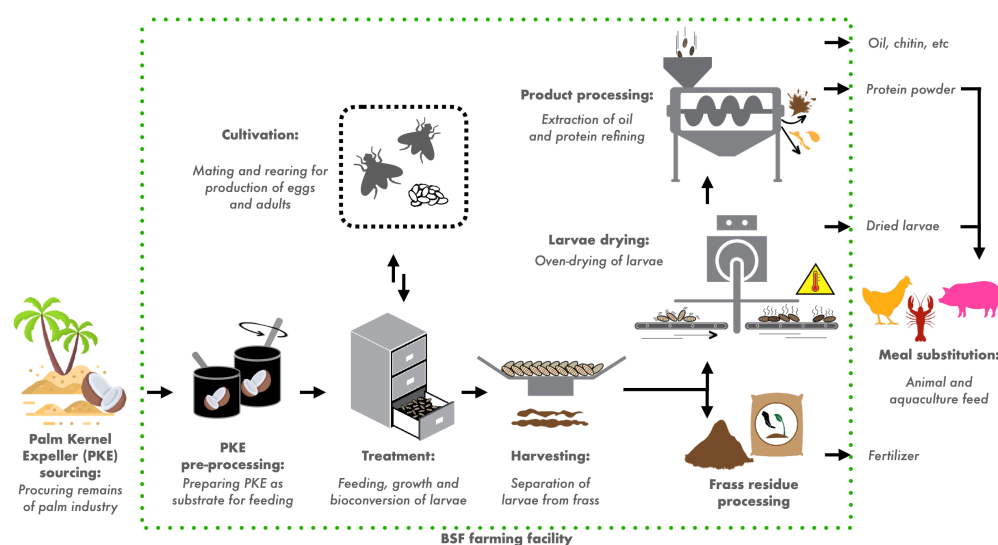
2.2. Information regarding the Proposed Diversification

Upon the approval of Shareholders being obtained at the EGM and as part of its commitment to expand into sustainable businesses, the Group intends to expand the Existing Core Businesses into the green protein business, involving the production of insect biomass proteins (the “**New Green Protein Business**”). In particular, the Group currently has plans to expand into the New Green Protein Business through the cultivation of black soldier fly (*Hermetia Illucens*) (“**BSF**”) larvae (“**BSFL**”), which is a new and sustainable feedstock.

BSFL are produced from freshly laid BSF eggs, which will be hatched and reared by feeding on raw palm kernel expeller waste (“**Palm Kernel Expeller**”), a by-product generated by palm oil mills. Palm Kernel Expeller is readily available in the Republic of Indonesia from palm oil mills, which are abundant in the islands of Sumatra and Kalimantan, where the palm oil plantations are located. The Group will procure the initial batch of BSF eggs from other BSF farms and subsequently cultivate its own BSF eggs through its hatching unit. The Group will house the New Green Protein Business operations in a farming facility with an approximate land area of 7,000m², located in Parung, Kabupaten Bogor, Republic of Indonesia. The Group estimates that the initial capital investment required in relation to the farming facility will be approximately S\$500,000, and this will be applied towards the lease of land (for an initial lease period of three (3) years), operation permits and licensing, construction of facilities and machinery.

The cultivated BSFL will be harvested and dried before undergoing an extraction process to extract proteins and lipids, which form the basis of the New Green Protein Business products. Such products may include but are not limited to: (i) insect protein meal, which is a high-protein animal feed ingredient made from dried BSFL; (ii) edible insect oil (extracted from the BSFL), which is often used as an ingredient for the production of cosmetic products; and (iii) whole dried BSFL, which may be a snack food or a source of protein in animal feed. The Group intends to market the New Green Protein Business’ products to customers in, inter alia, the business of pet food production, the aquaculture business and the pigs and poultry production business. The production and cultivation of BSFL also produces frass (i.e. the biological waste that insects leave behind as a natural by-product of their metabolic activities), which the Group intends to market to customers in the fertiliser industry as biofertilisers. The Group has registered the trademark “SanoFly” in the Republic of Indonesia, and the New Green Protein Business products will be marketed under this brand name.

A diagram illustrating the process of cultivating BSFL and the production of the New Green Protein Business products is provided below:



The Group will primarily use Palm Kernel Expeller as feed for BSFL, but will also explore other alternative feed sources. In this regard, the Group intends to procure Palm Kernel Expellers from third-party palm oil producers based in the Republic of Indonesia.

While the Group's intention for the New Green Protein Business is to cultivate BSFL in the Republic of Indonesia, the Group does not intend for the New Green Protein Business to be restricted to any specific geographical market or any phase or activity in the New Green Protein Business. In addition, as other species of edible insects may, from time to time, be identified to have superior sustainability or cultivation properties, the Group also intends to engage in experimenting, cultivating and producing such other species of edible insects on an industrial scale as and when they become commercially viable.

The Group may also, as part of the New Green Protein Business, invest in or dispose of shares or interests in any entity in the New Green Protein Business, and each investment will be evaluated and assessed by the Board on its merits. The Group may also explore joint ventures, partnerships, cooperation and/or strategic alliances with third parties with the relevant expertise and resources to carry out the New Green Protein Business and/or related ancillary or complementary services when the opportunity arises. The decision on whether the Group should undertake an investment on its own or in collaboration with third parties will be made by the Board after taking into consideration various factors, such as the nature and scale of the business, the amount of investment required, and the risks associated with such an investment, the nature of expertise required, the prevailing economic conditions, and the opportunities available to the Group.

As at the Latest Practicable Date, the Group has undertaken various activities to initiate the diversification into the New Green Protein Business. These include expending efforts to, amongst others, establish preliminary farming facilities, procure and cultivate the initial stock, improve hatching, rearing, and processing methods to ensure production quality, apply for and obtain the United States Food and Drug Administration registration certification, and working out processes to export goods to overseas customers. At the point of undertaking the aforementioned activities, pursuant to the Company's management's assessment and/or updates, the Board at the material time was of the view that these aforementioned activities relating to the New Green Protein Business would not result in a change in the risk profile of the Group. Notwithstanding the foregoing, with the Group anticipating a significant increase in activities pertaining to the New Green Protein Business, it is expected that such further activities may give rise to a change in the Group's risk profile. Accordingly, the Company is seeking Shareholders' approval for the diversification of the Group's business at the EGM. Shareholders should refer to Section 2.3 (*Rationale for the Proposed Diversification*) and Section 3 (*Risk Factors Relating to the Proposed Diversification*) of this Circular for the rationale for and risks associated with the Proposed Diversification, respectively.

Subject to Shareholders' approval for the Proposed Diversification at the EGM, should the Company pursue any of such business opportunities under the New Green Protein Business, such business activities shall constitute part of the ordinary course of business of the Company (where it does not change the risk profile of the Company), and the Company will make the requisite announcements to update Shareholders in accordance with the requirements of the Catalist Rules.

2.3. Rationale for the Proposed Diversification

The Group had exited several mobile phone related businesses in the past years. In addition, as disclosed in the Company's latest audited consolidated financial statements of the Group for FY2023, the financial performance reflects a persistent challenge in achieving profitability. Despite efforts to bolster revenue streams, the Group has encountered challenges amidst escalating costs and narrowed profit margins, which have led to temporary setbacks in achieving sustained profitability. In this regard, the Board is of the view that it is in the best interests of the Group to identify various new businesses and opportunities with promising growth potential to support the Existing Core Businesses by diversifying the Group's revenue stream and/or entering into new markets which have the potential to provide the Group with new revenue streams with potentially higher margins as compared to its Existing Core Businesses. In particular, the Board believes that the Proposed Diversification into the New Green Protein Business will contribute positively to the Company and provide the following benefits to the Group:

(a) Providing the Group with additional and recurrent revenue streams with potentially higher margins

The Board believes that the Proposed Diversification is aligned with the Company's corporate strategy to provide Shareholders with diversified returns and long-term growth, which would reduce the Group's reliance on the Existing Core Businesses through additional and recurrent revenue streams. The Proposed Diversification would also allow the Group to tap into new businesses which could potentially provide higher margins as compared to its Existing Core Businesses. The Group believes that this would serve to improve future prospects and better support the growth of the Group.

(b) Capitalising on the global growth of businesses with a focus on sustainability

The Board believes that the Proposed Diversification aligns with the Group's commitment to expanding into circular economy-related businesses that promote sustainability and/or have a low environmental impact.

Sustainability and the impact of business activities on the environment have increasingly become issues of global concern. This has led to an increasing emergence of businesses which promote sustainability and have a low environmental impact. The Group aims to capitalise on the increasing focus on such environmental and sustainability concerns through the Proposed Diversification. In this regard, sustainability is a key element of the New Green Protein Business, as the cultivation of BSFL is a means of producing sustainable animal feed and biofertiliser.

(c) Existence of an extensive network and familiarity in the Indonesian market

The Board envisions that the Group will be able to capitalise on its business network and familiarity with the Indonesian market when pursuing the New Green Protein Business. Furthermore, the Board believes that there are growth prospects in the insect biomass protein industry in the Republic of Indonesia and that the Proposed Diversification into the New Green Protein Business will enable the Group to be well-positioned to capitalise on such growth prospects. Capitalising on such business opportunities may enhance the performance of the Group.

(d) Providing the Group with the flexibility to enter into transactions relating to the New Green Protein Business

The Proposed Diversification will give the Group the flexibility to enter into transactions relating to the New Green Protein Business in the ordinary course of business.

Upon Shareholders' approval of the Proposed Diversification, any acquisition or disposal which is in, or in connection with, the New Green Protein Business may be deemed to be in the Group's ordinary course of business and, therefore, not fall under the definition of a "transaction" under Chapter 10 of the Catalyst Rules. Accordingly, the Group may, in its ordinary course of business, enter into transactions relating to the New Green Protein Business, which will not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential opportunities and transactions relating to the New Green Protein Business arise. This will substantially reduce the administrative time and expenses in convening such meetings without compromising the corporate objectives or adversely affecting the business opportunities available to the Group.

Accordingly, the Board is of the view that the Proposed Diversification is in the best interests of the Group.

2.4. Incorporation of PT Polaris Orbit Indonesia

As disclosed in the Company's announcement dated 21 November 2022, the Company and Polaris Explorer Pte. Ltd. ("**PEPL**"), a wholly-owned subsidiary of the Company, had on 18 November 2022 incorporated a new subsidiary, PT Polaris Orbit Indonesia ("**PT POI**") in the Republic of Indonesia. As explained in the aforementioned announcement, the Group had decided to incorporate PT POI for the organic growth of new businesses in the areas of digital advertising and low environmental impact protein in the Republic of Indonesia, with a view towards increasing the Group's business opportunities and thereafter contribute positively to the growth, financial position and long-term prospects of the Group. The Group thus intends to house and conduct the New Green Protein Business through PT POI. At this juncture, the Company does not currently have plans to engage in the business of digital advertising. However, should such intentions subsequently arise, the Company will assess its resources and capacity and duly seek shareholders' approval prior to undertaking such business activities.

Please refer to the Company's announcement dated 21 November 2022 for further information on PT POI, including its shareholding structure and the rationale for its incorporation.

2.5. Incorporation of IX Terra Pte. Ltd.

As disclosed in the Company's condensed interim consolidated financial statements for the six months and full financial year ended 31 December 2023, the Group had, on 7 December 2023, incorporated a new subsidiary, IX Terra Pte. Ltd. ("**IXT**"), in the Republic of Singapore. The total issued and paid-up share capital of IXT is S\$100, comprising 100 ordinary shares, of which 65% of the shares are held by Polaris Network Pte. Ltd. ("**PNPL**"), a wholly-owned subsidiary of the Company, and the remaining 35% are held by Insect Technologies Group Private Limited ("**ITG**").

The principal activities of IXT are those of retail & wholesale trade of insect protein products, primarily for animal feed. IXT was established in connection with the joint venture relationship with ITG, a company incorporated in Singapore. ITG is represented by Hoe Wen, Zechary, who has years of experience in sales, marketing, and product development of insect protein, which aligns with the Group's direction to pursue and/or undertake business activities for a sustainable economy. The Group has decided to incorporate IXT in order to diversify into the New Green Protein Business, with a focus on sourcing markets in Asia.

2.6. Management of the New Green Protein Business

As at the Latest Practicable Date, the Group does not intend to acquire any businesses in the areas of insect biomass protein as a means of diversifying into these areas and instead intends to undertake the New Green Protein Business through PT POI and grow the New Green Protein Business organically.

The Board recognises that the New Green Protein Business is inherently different from the Existing Core Businesses and that none of the existing Directors has prior experience in the New Green Protein Business. In light of the foregoing, the Board has strategically identified Mr. AP Wahyu Samodra as a qualified candidate with the relevant experience and expertise in the New Green Protein Business to be employed as senior management in PT POI to assist with the development of the New Green Protein Business.

As such, the Group currently envisions that the operations of the New Green Protein Business will be spearheaded and overseen by Mr. AP Wahyu Samodra. Nevertheless, Mr. AP Wahyu Samodra is accountable to the board of directors of PT POI, which currently consists of Ms. Dian Stefani Sugialam as president director, Mr. Rusran Huang as director, Mr. Sugiono Wiyono Sugialam as president commissioner and Mr. Soennerstedt Carl Johan Pontus as commissioner. Ms. Dian Stefani Sugialam and Mr. Rusran Huang are business executives in the Group's pre-loved luxury goods business segment. Mr. Sugiono Wiyono Sugialam is an Executive Director and the Executive Chairman of the Company. Mr. Soennerstedt Carl Johan Pontus is an Executive Director and the Chief Executive Officer of the Company.

PT POI will employ Mr. AP Wahyu Samodra as the business unit head of the New Green Protein Business to oversee its operations as well as its profit and loss matters. The Group intends to hire additional finance and accounting staff to assist in PT POI's bookkeeping and ensure adequate financial checks and controls are in place. As part of the Group's recruitment strategy, PT POI will also enter into a profit-sharing agreement with Mr. AP Wahyu Samodra, which will entitle him to a share of the profits of the New Green Protein Business should such business be profitable.

The Board has identified Mr. AP Wahyu Samodra as a suitable candidate to spearhead the New Green Protein Business due to his six (6) years of experience in the cultivation, production and commercialisation of BSFL in the Republic of Indonesia. Mr. AP Wahyu Samodra will contribute his know-how in relation to the farming and processing of BSF, as well as a network of suppliers and customers to the New Green Protein Business. In particular, Mr. AP Wahyu Samodra co-founded PT Bio Cycle Indo (PMA) and PT Simagot Harta Karun, companies located in Bogor, Indonesia, which are involved in (i) the production and export of BSF eggs and dried BSFL, and the production of protein meals, oil and frass from BSF; and (ii) the production of whole dried BSFL which is sold as koi fish feed under the trademark "Maggot Nusantara", respectively. Mr. AP Wahyu Samodra has since divested all his interests in PT Bio Cycle Indo (PMA) and PT Simagot Harta Karun, and no longer has any connections (whether personal or business in nature) to the aforementioned companies. In addition, Mr. AP Wahyu Samodra is no longer engaged or otherwise interested in any business that is in competition with any of the Existing Core Businesses or the New Green Protein Business. Mr. AP Wahyu Samodra was introduced to the Group through a contact of Mr. Sugiono Wiyono Sugialam.

The Board believes that the employment of Mr. AP Wahyu Samodra is in the best interests of the Group as the Group will be able to tap on his commercial and technical know-how for the New Green Protein Business accrued from his years of experience in the BSF industry.

Save as disclosed above, there are no other existing relationships (including business relationships) between Mr. AP Wahyu Samodra and the Company, its directors or substantial shareholders.

2.7. Funding for the Proposed New Business

The New Green Protein Business will require sufficient capital to fund its inception, daily operations, future growth and expansion plans. The Company intends to fund the New Green Protein Business through a combination of internal sources of funds, retained earnings generated from the Group's business operations, and borrowings from financial institutions. The Board will determine the optimal mix of internal and external funding, taking into account the then market conditions, the cash flow of the Group and the prevailing financing costs.

In addition, as and when necessary and deemed appropriate, the Group may tap into the capital markets and explore secondary fund-raising exercises such as placements of shares and/or convertible instruments.

3. RISK FACTORS RELATING TO THE PROPOSED DIVERSIFICATION

To the best of the Directors' knowledge and belief, as at the Latest Practicable Date, the risk factors that are material for Shareholders to make an informed decision on the Proposed Diversification are set out in this Section 3. Shareholders should carefully consider and evaluate the risk factors set out herein and all other information contained in this Circular in light of their own investment objectives and financial circumstances and should seek professional advice from their accountant, stockbroker, bank manager, solicitor or other professional adviser(s) if they have any doubt about the actions they should take.

Any of the risks described below could materially and adversely affect the Group's ability to comply with its obligations, including those under the Catalist Rules, and may have a material adverse effect on the Company's or the Group's business, financial condition, operations and prospects. In that event, the market price of the Shares may decline, and the Shareholders may lose all or part of their investments in the Shares.

The risks and uncertainties described below are not intended to be exhaustive and are not the only risks and uncertainties that the Group may face. The Group could be affected by a number of risks which relate to the industries and countries in which the Group intends to operate as well as those which may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein. Additional risks and uncertainties not presently known to the Company or the Group or that the Company or the Group currently deem immaterial may also impair the Company's or the Group's business, financial condition, operations and prospects.

3.1. Risks in relation to the New Green Protein Business

(a) *The Group is dependent on its major suppliers*

While the Group expects to be able to produce BSF eggs from its hatching unit, the Group will initially be required to and may, from time to time thereafter, procure BSF eggs from third-party suppliers to cultivate BSFL. Notwithstanding the Group's ability to remove most contaminants from the BSF eggs, if the BSF eggs procured from third-party suppliers are proven to be of inferior quality or include contaminants that the Group is unable to remove and which thereby affect the safety or quality of the Group's BSFL cultivation, the Group may need to source for alternative BSF eggs and dispose of its inferior or contaminated BSFL. Further, there is no certainty that the Group will be able to source BSF eggs of satisfactory quality. The disposal of inferior or contaminated BSFL and/or the lack of BSF eggs will affect the Group's ability to produce BSFL of satisfactory quality, necessary for the production of the New Green Protein Business products, and this will, in turn, adversely affect the results of the Group's operations.

In addition, the Group will procure Palm Kernel Expellers primarily as feed for the BSFL from third-party palm oil producers based in the Republic of Indonesia. While Palm Kernel Expellers are currently readily available from third-party palm oil producers, there is no certainty that the third-party palm oil producers will continue to sell Palm Kernel Expellers to the Group or that the price of the Palm Kernel Expellers will remain stable if the demand for it increases. In the event that the Group is unable to procure Palm Kernel Expellers from local palm oil plantations at a low cost, it may be required to incur additional expenses (including transportation costs) in sourcing for Palm Kernel Expellers from other regions in the Republic of Indonesia or for an alternative plant feed for the BSFL. This may cause the Group to incur higher costs and may adversely affect the New Green Protein Business' profit margins and profits.

(b) *The New Green Protein Business is dependent on the Group's ability to secure major customers*

The Group may sell the New Green Protein Business' products through various sales channels, including online distribution platforms such as Shopee or Lazada. However, for the Group to achieve profitability and to scale the New Green Protein Business, it will need to secure contracts from major customers in industries with high demand for its products, such as the pet food, biofertiliser, pig and poultry industries.

There is no assurance that the Group will be able to secure contracts with major customers that require large amounts of the New Green Protein Business' products, nor is there any assurance that the Group will be able to retain these major customers. In the event that the Group is unable to secure contracts with and/or retain such major customers or that the orders from them are materially reduced, the operations and financial condition of the New Green Protein Business will be adversely affected.

(c) *The insect biomass protein market is competitive*

The biomass protein market is competitive, with strong competition from established suppliers of insect biomass protein who may possess larger financial resources, command greater market share and/or have stronger track records. There is no assurance that the Group will be able to provide the New Green Protein Business products at lower prices to compete effectively with established market players in the insect biomass protein industry.

There is also no assurance that a cheaper source of protein (compared to the BSFL) will not be commercially developed in the future. The Group will be competing with not only other suppliers of BSFL-derived products but also suppliers who manufacture protein from other sources, including plant-based sources such as soybeans. In the event that the Group is unable to effectively compete with other suppliers in the insect biomass protein industry or suppliers utilising other sources of biomass proteins, this may adversely and materially affect the New Green Protein Business revenue and profits.

(d) *The Group may be affected by environmental factors*

The New Green Protein Business may be affected by environmental factors that are outside the control of the Group. Due to the organic nature of BSFL as well as Palm Kernel Expellers, the ability of the Group to harvest BSFL of satisfactory quality is highly dependent on environmental factors. In the event that the location of the Group's manufacturing facility encounters adverse weather conditions, global climate change or other natural disasters, the Group may have difficulty sourcing Palm Kernel Expellers of satisfactory quality and the Group may be unable to rear and develop the BSFL to the stage where the extraction process to produce the products may begin. Such unforeseen environmental factors may adversely affect the Group's operations and may inhibit the Group from effectively cultivating and harvesting BSFL of satisfactory quality as well as producing the New Green Protein Business products from the harvested BSFL.

(e) *The Group has no prior track record in the operation of the New Green Protein Business*

The Group does not have a prior track record in the New Green Protein Business, and there is no guarantee that the New Green Protein Business will be commercially successful or that the Group will be capable of deriving sufficient revenue from the New Green Protein Business to offset the capital, start-up and operating costs involved.

The New Green Protein Business may require high capital commitments and may expose the Group to unforeseen expenses, liabilities or risks associated with its entry into the insect biomass protein industry. The New Green Protein Business carries business risks, including the financing costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the New Green Protein Business effectively, the overall financial position and profitability of the Group may be adversely affected.

There is no guarantee that the Group's existing knowledge, experience, and connections will be sufficient to undertake the New Green Protein Business successfully or that the Group will be able to attract and retain suitable employees with the appropriate qualifications and experience. While the Group may appoint third-party professionals and consultants to assist in managing the New Green Protein Business, there is no guarantee that these third-party professionals and/or consultants will be able to deliver or perform satisfactorily.

(f) *The Group is dependent on its profit-sharing partner*

The success of the New Green Protein Business is dependent on the commercial and technical know-how and contributions of the profit-sharing partner of PT POI for the execution of the business strategy of the New Green Protein Business. There is no guarantee that the proposed profit-sharing partner possesses the necessary skills and expertise required for the conduct of the New Green Protein Business, nor that his commercial and technical know-how is sufficient for the New Green Protein Business to operate successfully. In addition, the Group may not be able to identify suitable or qualified replacements for the profit-sharing partner in the event of a loss of the aforementioned partner. This may adversely affect the operations and financial position of the Group, and the Group may have to incur additional expenses in recruiting suitable or qualified replacements.

Further, as the profit-sharing partner is entitled to a share of the profits of the New Green Protein Business, the Group will not be able to reinvest all of the profits received into the New Green Protein Business. This may adversely affect and/or limit any future expansion plans, the working capital and/or the cash flows of the New Green Protein Business, and may adversely affect the results of operations and financial performance of the Group.

3.2. General risks in relation to the New Green Protein Business

(a) *The Group is subject to the general risk of doing business in new jurisdictions and markets*

While the Group does not plan to restrict the New Green Protein Business to any specific geographic market, the Group intends to focus the New Green Protein Business in the Republic of Indonesia as a start and may venture beyond the Republic of Indonesia if and when suitable opportunities arise. There are risks inherent in doing business in new jurisdictions and markets. These risks include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainty regarding liability, enforcement, tariffs and other trade barriers, unexpected changes in local law and barriers to the repatriation of capital or profits, any of which could materially affect the operations of the Group in new markets. These risks may affect the Group's New Green Protein Business, operations and financial condition.

(b) *The Group is subject to risks inherent in investing in entities which it does not control*

In the event that a suitable opportunity arises, the Group may enter into joint ventures and/or make investments in entities that are not part of the Group and over which the Group does not have majority control or only has a minority stake. The performance of these entities and the Group's share of their results are subject to the same or similar risks relating to the New Green Protein Business that affect the Group as described in this Circular. There is no guarantee that the Group will be able to influence the management, operation and/or performance of these entities, whether or not through its voting rights, in a manner which would be favourable to the Group, or at all.

While the Group will carefully evaluate the merits of entering into any joint venture and each investment (whether in a minority stake or otherwise) undertaken in accordance with its risk management procedures, any risk management and internal control system, no matter how sophisticated in design, may still contain latent limitations caused by misjudgment or fault. Accordingly, there is no guarantee that any such investment undertaken by the Group under its New Green Protein Business, whether in a minority stake or otherwise, will be able to generate profits for the Group. If all or any of these entities were to perform poorly, the financial condition, results of operations and prospects of the Group may be adversely affected.

(c) *The Group's performance in new geographical areas will be subject to exposure to macro-economic risks*

The business of the Group overseas may be affected by many factors which are beyond the Group's control. Any of the following factors may cause fluctuations and/or declines in the markets in which the Group operates or invests:

- (i) legal and regulatory changes;
- (ii) economic and political conditions;
- (iii) the level and volatility of liquidity and risk aversion;
- (iv) concerns about natural disasters, terrorism and war;
- (v) the level and volatility of equity, debt, property, commodity and other financial markets;
- (vi) the level and volatility of interest rates and foreign currency exchange rates;
- (vii) concerns over inflation; and
- (viii) changes in investor confidence levels.

Any of the above-mentioned factors could adversely impact the performance of the Group.

(d) *The operations and profitability of the New Green Protein Business may be disrupted by outbreaks of diseases and pandemics*

The operations and profitability of the New Green Protein Business may be affected by an outbreak of infectious diseases (such as the severe acute respiratory syndrome (SARS) or the H1N1 virus) or pandemics (such as coronavirus disease 2019 (COVID-19)) or the threat of or perceived potential for these events could have a negative impact on the Group. Such events could adversely affect the level of business activity of the Group's customers and suppliers and precipitate sudden significant changes in regional and global economic conditions and cycles. Such events also pose significant risks to the Group's employees and its physical facilities and operations worldwide, whether the facilities belong to the Group or those of its third-party service providers or suppliers.

These events may disrupt communications and travel and increase the difficulty of hiring and retaining highly skilled and qualified personnel. These events may also make it difficult or impossible for the Group to receive and/or deliver products from or to the Group's suppliers and customers. Extended disruptions of transport, public utilities or network services could also adversely affect the Group's ability to operate its business. Furthermore, customer sentiment and spending could be adversely affected, which may negatively impact the Group's business operations, financial performance and financial condition.

(e) *The Group is susceptible to fluctuations in foreign exchange rates that could result in the Group incurring foreign exchange losses*

As the Group's functional and presentation currency is denominated in S\$, and the revenue from the New Green Protein Business may be generated from overseas markets and in foreign currencies, and there may be timing differences between invoicing and collection of payment, any depreciation in foreign exchange rates against the S\$ may adversely affect the Group's profitability and financial position. There is no assurance that the Group will be able to manage its foreign exchange risks successfully, and any significant adverse foreign currency fluctuations may adversely affect its financial position and results of operations.

(f) *The Group may be exposed to the risk of loss and potential liabilities that may not be covered by insurance*

While the Group may, where appropriate, obtain insurance policies to cover potential losses in respect of its operations, products and services, and certain eventualities arising from the New Green Protein Business, the insurance obtained may not be sufficient to cover all potential losses, including losses arising from risks which are generally not insurable. These include losses arising from acts of God, earthquakes, war, civil disorder and acts of terrorism. Losses arising out of damage to or loss of the Group's products that are not covered by insurance policies in excess of the amount insured may affect the Group's profitability and financial position.

(g) *The New Green Protein Business are subject to litigation risks*

The New Green Protein Business will be subject to a complex legal and regulatory environment. The New Green Protein Business may, from time to time, be the subject of complaints from customers with regard to the quality of the Group's products and/or services. Further, if the Group's products are alleged to cause injury or illness, or if the Group is alleged to have mislabelled or misbranded its products or otherwise violated any regulations, the Group may be exposed to product recalls and adverse public relations.

Any complaints in relation to the Group's products or services that escalate to lawsuits against the Group, even where unsuccessful, would require the Group to divert resources to address these claims. A successful claim or series of claims brought against the Group could result in judgments, fines, damages and liabilities that could adversely affect the Group's business, financial condition and/or result of operations.

In the event that the Group or any Group entity is found liable under any such liability claims, there is no assurance that the Group will have adequate or sufficient liability insurance to cover the amount of damages payable in respect of such claims. Any claims in excess of any liability insurance coverage that the Group may obtain may have a material adverse effect on the Group's business, financial conditions and results of operations. In the event that the liability incurred by the Group under such claims is substantial, the Group's business may be significantly affected.

The above events may also attract negative publicity, which may cause customers to lose confidence in the Group's products and services. This may diminish the value of the Group's brands, leading to a decline in consumer confidence and demand for the Group's products and services. These could have a material adverse effect on the Group's brands, business, results of operations and financial condition. In addition, such matters could be costly and time-consuming and may require the diversion of significant management attention and resources to address them.

3.3. Internal Controls and Risk Management of the New Green Protein Business

The Group recognises the importance of internal controls and risk management for the smooth running of the New Green Protein Business. The external and internal risks presented by the New Green Protein Business to the Group will be managed under the Group's existing system of internal controls and risk management, which will determine the nature and extent of risks which the Board may take in achieving the strategic objectives of the Group. Where necessary, to better manage the Group's external and internal risks resulting from the Proposed Diversification, the Group will work towards implementing a set of operations and compliance procedures. Where necessary, the Audit and Risk Management Committee of the Company and the Board will endeavour to:

- (a) review with management and the external and internal auditors on the adequacy and effectiveness of the Group's internal control procedures addressing financial, operational, compliance, informational technology and risk management systems relating to the New Green Protein Business; and

- (b) commission and review the findings of internal investigations into matters where there are any suspected fraud or irregularity, failure of internal controls, or infringement of any law, rule or regulation, which has or is likely to have a material impact on the Group's operating results and/or financial position.

Notwithstanding the above, due to human error or judgment, there is no assurance that these frameworks and systems will be strictly complied with at all times. In addition, the Group relies on the self-assessment, review and reporting processes of the respective subsidiaries to ensure that the transactions are carried out in compliance with the accounting standards and Group accounting policies and that the internal controls are adequate. The Group also has an outsourced internal audit function. Accordingly, there may be inherent limitations in the system which may not prevent or detect all misstatements or instances of fraud in a timely manner, and any changes in conditions or operations of the New Green Protein Business may cause the system's effectiveness to vary from time to time.

4. REQUIREMENTS UNDER THE CATALIST RULES

Chapter 10 of the Catalist Rules regulates transactions which are not in the ordinary course of business of a company and which are material, as determined based on certain relative figures computed with respect to the transaction and the company, including net asset value, net profits, the aggregate value of the consideration vis-à-vis the market capitalisation of the company, and equity securities. Specifically, a material transaction not in the ordinary course of business of a company must be approved by shareholders of the company.

Catalist Rule 1002(1) provides that "transaction" generally refers to the acquisition or disposal of assets, or the provision of financial assistance, by an issuer or its subsidiary, including an option to acquire or dispose of assets. It excludes a transaction which is in, or in connection with, the ordinary course of its business or of a revenue nature.

Pursuant to Catalist Rule 1014, a major transaction is a transaction where any of the relative figures as computed on the bases set out in Catalist Rule 1006 exceeds (i) 75.0% but is less than 100.0% (for an acquisition) or (ii) 50.0% (for a disposal or the provision of financial assistance) (each a "**Major Transaction**"), and must be made conditional upon approval by shareholders in a general meeting. In the case where the relative figures computed on the bases set out in Catalist Rule 1006 for a transaction exceed 5.0% but are less than 75.0% (for an acquisition) or 50.0% (for a disposal or provision of financial assistance), the transaction is defined as a "disclosable transaction" and an announcement containing the information prescribed in Catalist Rule 1010 will be required.

Pursuant to paragraph 2.3 of Practice Note 10A of the Catalist Rules, an acquisition can be regarded to be in, or in connection with, the ordinary course of an issuer's business, if (a) the asset to be acquired is part of the issuer's existing principal business; and (b) the acquisition does not change the issuer's risk profile. Guidance on what constitutes an issuer's "existing principal business" and a "change of risk profile" is provided under Practice Note 10A of the Catalist Rules.

As the Proposed Diversification involves new business areas which are materially different from the Existing Core Businesses, it is envisaged that the Proposed Diversification will change the existing risk profile of the Group materially. Accordingly, the Company is convening the EGM to seek Shareholders' approval for the Proposed Diversification.

Upon approval by Shareholders of the Proposed Diversification, any acquisition which is in, or is in connection with, the New Green Protein Business would be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules even if any of the relative figures computed on the bases set out in Catalist Rule 1006 exceeds the thresholds set out in Catalist Rule 1014, unless such transaction changes the risk profile of the Group or constitutes a very substantial acquisition or reverse takeover under Catalist Rule 1015. This will substantially reduce the administrative time and expenses otherwise required to convene separate general meetings for any transactions in the New Green Protein Business and provide the Group with greater flexibility to pursue business opportunities in the New Green Protein Business that may be time-sensitive in nature.

LETTER TO SHAREHOLDERS

In accordance with the SGX-ST's recommended practice in relation to the diversification of business, if an issuer has not operated in the new business space and did not provide sufficient information about the new business at the time when it is seeking shareholders' approval for the diversification mandate, where the issuer enters into the first Major Transaction involving the new business (the "**First Major Transaction**"), or where any of the figures computed based on Rule 1006 of the Catalist Rules in respect of several transactions involving the new business aggregated (the "**Aggregated Transactions**") over the course of a financial year exceeds 75%, such First Major Transaction or the last of the Aggregated Transactions will be made conditional upon shareholders' approval.

For the avoidance of doubt, notwithstanding that Shareholders' approval of the Proposed Diversification is being sought:

- (a) Rule 1015 of the Catalist Rules will apply to acquisitions of assets (including options to acquire assets) whether or not in the Group's ordinary course of business and which results in any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeding 100% or results in a change in control of the Company. Such acquisitions must be, amongst others, made conditional upon approval by Shareholders at a general meeting;
- (b) Practice Note 10A of the Catalist Rules will apply to acquisitions or disposals of assets (including options to acquire or dispose of assets), which will change the risk profile of the Company. Such transactions must be, amongst others, made conditional upon approval by Shareholders at a general meeting;
- (c) the First Major Transaction or the last of the Aggregated Transactions will be made conditional upon Shareholders' approval, if applicable; and
- (d) where any transaction constitutes an "interested person transaction" as defined under Chapter 9 of the Catalist Rules, Chapter 9 of the Catalist Rules will apply to such a transaction, and the Company will have to comply with the provisions of Chapter 9 of the Catalist Rules. In particular, pursuant to Rule 905 of the Catalist Rules, where any interested person transaction is of a value equal to or more than 3% of the Group's latest audited NTA, or when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to or more than 3% of the Group's latest audited NTA, the Group must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year. Pursuant to Rule 906 of the Catalist Rules, where any interested person transaction is of a value equal to or more than 5% of the Group's latest audited NTA, or when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to or more than 5% of the Group's latest audited NTA, the Group must obtain shareholder approval for the interested person transaction.

Pursuant to Rule 1005 of the Catalist Rules, separate transactions completed within the last 12 months may also be aggregated and treated as if they were one transaction in determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004 of the Catalist Rules.

In addition, the Company will be required to comply with any applicable and prevailing Catalist Rules as amended or modified from time to time.

5. THE PROPOSED CAPITAL REDUCTION

5.1. Introduction

As announced on 15 April 2024, the Company intends to undertake a capital reduction exercise, pursuant to Section 78A read with Section 78C of the Companies Act, to reduce the share capital of the Company by the cancellation of the share capital of the Company that has been lost or is unrepresented by available assets to the extent of the amount of the accumulated losses of the Company up to 31 December 2023 of S\$398,256,000 (the "**Proposed Capital Reduction**").

The purpose of the Proposed Capital Reduction is to write off the accumulated losses of the Company up to 31 December 2023 amounting to S\$398,256,000 (the “**Accumulated Losses**”). The Accumulated Losses arose mainly from allowance for impairment loss in investment in subsidiaries, loss on disposal of investment in a subsidiary, allowance for doubtful debts for amounts due from subsidiaries, and operational losses incurred and accumulated over the years.

Pursuant to Section 78C of the Companies Act, it is a requirement that a public company proposing to undertake a capital reduction exercise should, *inter alia*, obtain the approval of its shareholders at a general meeting by way of a special resolution to be tabled at such general meeting.

5.2. Details of the Proposed Capital Reduction

The Company proposes to carry out the proposed Capital Reduction pursuant to Section 78A read with Section 78C of the Companies Act.

The Proposed Capital Reduction will be effected in the following manner:

- (a) by reducing the existing issued and paid-up share capital of the Company (excluding treasury shares) as at the Effective Date (as defined below) by the cancellation of the share capital of the Company that has been lost or is unrepresented by the available assets of the Company to the extent of the amount of the Accumulated Losses, i.e., by S\$398,256,000; and
- (b) thereafter by applying the amount of S\$398,256,000, being the credit arising from the aforesaid cancellation of share capital, towards writing off the Accumulated Losses.

5.3. Resultant effect on the share capital of the Company

As at the Latest Practicable Date, the Company has an issued and paid-up share capital (excluding treasury shares) of S\$402,746,541.42, comprising 17,053,169,818 Shares. Upon completion of the Proposed Capital Reduction, the Company’s share capital will be reduced by the extent of the amount of the Accumulated Losses.

The Proposed Capital Reduction will reduce the Company’s Accumulated Losses as at 31 December 2023 by the cancellation of the share capital of the Company to the extent of S\$398,256,000.

The Proposed Capital Reduction does not entail any outflow of cash or change in the net assets of the Company. There will be no change in the total number of issued Shares in the Company held by the Shareholders immediately after the Proposed Capital Reduction, nor will the Proposed Capital Reduction involve the payment to any Shareholder of any paid-up share capital of the Company.

5.4. Rationale for the Proposed Capital Reduction

The purpose of the Proposed Capital Reduction is to write off the Accumulated Losses with a view to restructuring the finances of the Company. This serves to rationalise the balance sheet of the Company so that it accurately reflects the value of its underlying assets and, accordingly, the financial position of the Company. In addition, the Proposed Capital Reduction will facilitate future equity-related fund-raising exercises to recapitalise and strengthen the balance sheet of the Company. When appropriate, the Company would also be in a better position to retain profits and enhance its ability to pay future dividends if the Accumulated Losses are written off. The Directors will take into consideration the present and future funding needs of the Company and the Group before declaring any dividends.

Pursuant to Section 78C(2) of the Companies Act, the Company is not required to meet the solvency requirements under Section 78C(1)(b) of the Companies Act as the Proposed Capital Reduction does not involve a reduction or distribution of cash or other assets by the Company, or a release of any liability owed to the Company.

5.5. Conditions for the Proposed Capital Reduction

The Proposed Capital Reduction is subject to, *inter alia*, the following:

- (a) the approval of the Shareholders by way of a special resolution at the EGM (the "**Capital Reduction Resolution**") of which not less than 21 days' notice shall have been given;
- (b) compliance with the relevant publicity requirements as prescribed in the Companies Act;
- (c) no application having been made for the cancellation of the Capital Reduction Resolution by any creditor of the Company within the timeframe prescribed in the Companies Act; and
- (d) the Company must, after the end of six (6) weeks (but before the end of eight (8) weeks) beginning with the date of the Capital Reduction Resolution, lodge with the Registrar:
 - (i) a statement made by the Directors confirming that the requirements under Section 78C(1)(c) of the Companies Act have been complied with, and that no application for cancellation of the Capital Reduction Resolution has been made; and
 - (ii) a notice containing information in relation to the Proposed Capital Reduction specified under the Companies Act.

The Company will make an immediate announcement on SGXNET to update Shareholders if any of the conditions for the Proposed Capital Reduction as set out in this Section 5.5 is not met.

5.6. Creditor objections

In the event that during the six (6) weeks beginning with the Capital Reduction Resolution date, one (1) or more applications for the cancellation of the Capital Reduction Resolution have been made under Section 78D(2) of the Companies Act, for the Proposed Capital Reduction to take effect, the following conditions must be satisfied:

- (a) the Company must give the Registrar notice of the application(s) for the cancellation of the Capital Reduction Resolution as soon as possible after such application(s) have been served on the Company by the creditor(s);
- (b) the proceedings in relation to each application for the cancellation of the Capital Reduction Resolution must be brought to an end by either (i) the dismissal of the application under Section 78F of the Companies Act; or (ii) without determination (for example, because the application has been withdrawn); and
- (c) the Company must, within fifteen (15) days beginning with the date on which the last such proceeding was brought to an end in accordance with paragraph (b) above, lodge with the Registrar:
 - (i) a statement made by the Directors confirming that the requirements under Section 78C(1)(c) and Section 78D(4) of the Companies Act have been complied with, and that the proceedings in relation to each such application have been brought to an end by the dismissal of the application or without determination;
 - (ii) in relation to each such application which has been dismissed by the Court, a copy of the order of the Court dismissing the application; and
 - (iii) a notice containing information in relation to the Proposed Capital Reduction specified under the Companies Act.

5.7. Effective date of the Proposed Capital Reduction

If no application is received from any creditor of the Company for the cancellation of the Capital Reduction Resolution within six (6) weeks beginning with the date of the Capital Reduction Resolution, the Company will, after the end of the aforesaid six (6) weeks and before the end of eight (8) weeks, beginning with the date of the Capital Reduction Resolution, lodge the relevant documents required under Sections 78E(2)(c) and (d) of the Companies Act with the Registrar, upon which the Proposed Capital Reduction will take effect (the “**Effective Date**”).

The Company will thereafter publicly announce and notify Shareholders of the Effective Date of the Proposed Capital Reduction through an announcement on SGXNET.

6. FINANCIAL EFFECTS

6.1. The Proposed Diversification

As at the Latest Practicable Date, although the Company has undertaken various activities to initiate the diversification into the New Green Protein Business, the Company has no affirmative and binding plans in relation to the New Green Protein Business that is expected to materially impact the net profit, LPS or NTA of the Group.

Should there be any material impact on the Group’s NTA per Share and LPS for FY2023 as a result of any New Green Protein Business developments, the Company will make the necessary announcements at the appropriate time as required under the Catalist Rules.

6.2. The Proposed Capital Reduction

The Proposed Capital Reduction is an accounting procedure that reduces the Company's existing share capital as at the Effective Date to write off the Accumulated Losses. The Proposed Capital Reduction represents merely a change in the composition of reserves and does not entail any reduction or distribution of cash or other assets of the Company.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$402,746,541.42, comprising 17,053,169,818 Shares.

For illustrative purposes only, the financial effects of the Proposed Capital Reduction have been prepared based on the latest audited consolidated financial statements of the Group for FY2023. The financial effects of the Proposed Capital Reduction, as illustrated below, are based on the following assumptions:

- (a) that the Proposed Capital Reduction was completed on 31 December 2023; and
- (b) the computation of the financial effects does not take into account any expenses that may be incurred in relation to the Proposed Capital Reduction.

(a) Share Capital

As at 31 December 2023

	Before the Proposed Capital Reduction	After the Proposed Capital Reduction
Number of Shares	17,053,169,818	17,053,169,818
Share capital	402,746,541.42	4,490,541.42

The Proposed Capital Reduction will reduce the issued and paid-up share capital of the Company by S\$398,256,000 to write off the Accumulated Losses. The number of issued Shares and the percentage of Shares held by the Shareholders immediately after the Proposed Capital Reduction will remain unchanged. No capital will be returned to the Shareholders.

LETTER TO SHAREHOLDERS

(b) Equity attributable to Shareholders

	As at 31 December 2023			
	Group		Company	
	Before the Proposed Capital Reduction (S\$'000)	After the Proposed Capital Reduction (S\$'000)	Before the Proposed Capital Reduction (S\$'000)	After the Proposed Capital Reduction (S\$'000)
Share capital	402,747	4,491	402,747	4,491
Foreign currency translation reserve	(557)	(557)	0	0
Accumulated (losses)/earnings	(394,769)	3,487	(398,256)	0
Equity attributable to Shareholders	7,421	7,421	4,491	4,491

(c) NTA, LPS and gearing

The Proposed Capital Reduction will not have any impact on the NTA, LPS or gearing of the Company and the Group.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in Shares as at the Latest Practicable Date, based on the Company's Register of Interests of Directors and Register of Substantial Shareholders, respectively, are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%(¹)	No. of Shares	%(¹)	No. of Shares	%(¹)
Directors						
Soennerstedt Carl Johan Pontus	-	-	-	-	-	-
Masahiko Yabuki	-	-	-	-	-	-
Diana Airin	-	-	-	-	-	-
Chong Eng Wee	-	-	-	-	-	-
Tay Boon Zhuan	-	-	-	-	-	-
Sugiono Wiyono Sugialam	326,003,652	1.91	10,469,189,374 ⁽²⁾	61.39	10,795,193,026	63.30
Substantial Shareholders (who are not Directors)						
Tres Maria Capital Ltd	3,867,140,015 ⁽³⁾	22.68	4,065,786,837 ⁽⁴⁾	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 ⁽⁵⁾	-	-	4,065,786,837 ⁽⁴⁾	23.84	4,065,786,837	23.84
Standard Chartered Asia Limited ⁽⁶⁾	-	-	4,065,786,837 ⁽⁴⁾	23.84	4,065,786,837	23.84
Standard Chartered MB Holdings B.V. ⁽⁷⁾	-	-	4,065,786,837 ⁽⁴⁾	23.84	4,065,786,837	23.84
⁽⁸⁾ Standard Chartered Holdings (International) B.V.	-	-	4,065,786,837 ⁽⁴⁾	23.84	4,065,786,837	23.84
SCMB Overseas Limited ⁽⁹⁾	-	-	4,065,786,837 ⁽⁴⁾	23.84	4,065,786,837	23.84
Standard Chartered Bank ⁽¹⁰⁾	-	-	4,065,786,837 ⁽⁴⁾	23.84	4,065,786,837	23.84
Standard Chartered Holdings Limited ⁽¹¹⁾	-	-	4,065,786,837 ⁽⁴⁾	23.84	4,065,786,837	23.84
Standard Chartered PLC ⁽¹¹⁾	-	-	4,065,786,837 ⁽⁴⁾	23.84	4,065,786,837	23.84
Augusta Investments Zero Pte. Ltd. ⁽¹²⁾	4,406,850,233	25.84	-	-	4,406,850,233	25.84
Augusta AB Holdco Pte. Ltd. ^(12, 13)	-	-	4,406,850,233	25.84	4,406,850,233	25.84
Augusta Fundco Pte. Ltd. ^(13, 14)	-	-	4,406,850,233	25.84	4,406,850,233	25.84
Augusta Fund 1, LP ^(14, 15)	-	-	4,406,850,233	25.84	4,406,850,233	25.84
Augusta GP Pte. Ltd. ⁽¹⁵⁾	-	-	4,406,850,233	25.84	4,406,850,233	25.84
Affirma Capital Managers (Singapore) Pte. Ltd. ^(15, 16)	-	-	4,406,850,233	25.84	4,406,850,233	25.84

LETTER TO SHAREHOLDERS

Affirma Capital (Singapore) Pte. Ltd. (15, 16, 17)	-	-	4,406,850,233	25.84	4,406,850,233	25.84
Affirma Capital Limited ⁽¹⁷⁾	-	-	4,406,850,233	25.84	4,406,850,233	25.84

Notes:

- (1) Based on the Company's issued and paid-up share capital of 17,053,169,818 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) 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.
- (3) Tres Maria Capital Ltd's direct interest of 3,867,140,015 shares is registered in the name of DBSN Service Pte. Ltd..
- (4) 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 was 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, and Tres Maria Capital Ltd agreed to transfer such Shares to Standard Chartered Private Equity Limited immediately following the release and reassignment.
- (5) Standard Chartered Private Equity Limited is a wholly owned subsidiary of Standard Chartered Asia Limited.
- (6) Standard Chartered Asia Limited is a 99.9% owned subsidiary of Standard Chartered MB Holdings B.V..
- (7) Standard Chartered MB Holdings B.V. is a wholly owned subsidiary of Standard Chartered Holdings (International) B.V..
- (8) Standard Chartered Holdings (International) B.V. is a wholly owned subsidiary of SCMB Overseas Limited.
- (9) SCMB Overseas Limited is a wholly owned subsidiary of Standard Chartered Bank.
- (10) Standard Chartered Bank is a wholly owned subsidiary of Standard Chartered Holdings Limited.
- (11) Standard Chartered Holdings Limited is a wholly owned subsidiary of Standard Chartered PLC.
- (12) Augusta Investments Zero Pte. Ltd. is a wholly owned subsidiary of Augusta AB Holdco Pte. Ltd..
- (13) Augusta AB Holdco Pte. Ltd. is a wholly owned subsidiary of Augusta Fundco Pte. Ltd..
- (14) Augusta Fundco Pte. Ltd. is a wholly owned subsidiary of Augusta Fund 1, LP.
- (15) Augusta GP Pte. Ltd. is the general partner of Augusta Fund 1, LP. and a wholly owned subsidiary of Affirma Capital (Singapore) Pte. Ltd..
- (16) 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..
- (17) Affirma Capital (Singapore) Pte. Ltd. is a wholly owned subsidiary of Affirma Capital Limited.

None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Diversification and/or the Proposed Capital Reduction (other than through their respective directorships and/or shareholdings in the Company, if any).

8. RECOMMENDATION BY THE DIRECTORS

8.1. The Directors, having considered and reviewed, among others, the rationale for the Proposed Diversification and for the Proposed Capital Reduction as set out in Section 2.3 (*Rationale for the Proposed Diversification*) and Section 5.4 (*Rationale for the Proposed Capital Reduction*) of this Circular respectively, are of the opinion that the Proposed Diversification and the Proposed Capital Reduction are in the best interests of the Company and accordingly unanimously recommend the Shareholders to vote in favour of the Resolutions relating thereto to be proposed at the EGM.

8.2. Note to Shareholders

In deciding whether to vote in favour of the Resolutions, shareholders should carefully read the background, the rationale for and risk factors of the Proposed Diversification and the background to and rationale for the Proposed Capital Reduction. In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As Shareholders would have different investment objectives, the Directors recommend that any Shareholder who is in any doubt as to the course of action he/she should take or may require specific advice in relation to his/her specific investment objectives or portfolio should consult his/her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser.

9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held at 81 Ubi Avenue 4, #03-01, UB. One, Singapore 408830 on 7 May 2024 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the Resolutions set out in the Notice of EGM. Shareholders should note that there will be no option to participate in the EGM virtually.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote at the EGM must complete, sign and return the proxy form attached to the Notice of EGM (the “**Proxy Form**”) in accordance with the instructions printed thereon as soon as possible and, in any event, not less than 72 hours before the time fixed for the EGM. Please refer to the section entitled “**IMPORTANT INFORMATION**” in the Notice of EGM, which is set out on pages N-1 to N-3 of this Circular for further details.

Printed copies of this Circular will NOT be sent to Shareholders. Instead, this Circular will be made available on the Company’s website at <https://wearepolaris.sg/> and on SGXNET at <https://www.sgx.com/securities/company-announcements>. A member will need an internet browser and PDF reader to view these documents.

11. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Diversification and the Proposed Capital Reduction, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 81 Ubi Avenue 4, #03-11 UB. One, Singapore 408830, during normal business hours from 9.00 a.m. to 5.00 p.m. from the date hereof up to and including the date of the EGM:

- (a) the Constitution; and
- (b) the annual report of the Company for FY2023.

Any Shareholder who wishes to inspect any of the foregoing documents should contact the Company at the email address IR@wearepolaris.com at least three (3) working days in advance to make a prior appointment to attend at the registered office of the Company to inspect the document. Shareholders will need to identify themselves by stating his/her/its full name as it appears on his/her/its CDP/CPF/SRS share records, contact number and NRIC/Passport/UEN number and state the manner in which he/she/it holds his/her/its Shares in the Company (e.g. via CDP, CPF or SRS)

Yours faithfully

For and on behalf of the Board of Directors of
POLARIS LTD.

Mr Soennerstedt Carl Johan Pontus
Executive Director & Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

POLARIS LTD.

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

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (“**EGM**”) of Polaris Ltd. (the “**Company**”) will be convened and held at 81 Ubi Avenue 4, #03-01, UB. One, Singapore 408830 on Tuesday, 7 May 2024, at 10.00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the Resolutions set out below.

Please refer to the section titled “IMPORTANT INFORMATION” below for details.

Unless otherwise defined, all capitalised terms used herein shall bear the same meaning as ascribed to them in the circular to shareholders issued by the Company dated 15 April 2024 (the “Circular”).

ORDINARY RESOLUTION 1:

THE PROPOSED DIVERSIFICATION

IT IS RESOLVED that:

- (a) approval be and is hereby given for the Company to diversify the Group’s Existing Core Businesses to include the New Green Protein Business (as described in Section 2.2 (*Information regarding the Proposed Diversification*) of the Circular) and all other businesses and activities related to the New Green Protein Business;
- (b) subject to compliance with the Catalist Rules requiring approval from shareholders in certain circumstances, the Company (whether directly or via any other Group Company) be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of, from time to time, any such assets, businesses, investments and shares/interests in any entity that is related to the New Green Protein Business, on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all such acts and things as they deem desirable, necessary or expedient to give effect to any such investment, purchase, acquisition or disposal; and
- (c) the Directors or any of them be and are hereby authorised to take any and all steps and to complete and do all acts and things (including without limitation executing all such documents as may be required) as they or each of them deem desirable, necessary or expedient to give effect to the Proposed Diversification and all matters contemplated by this resolution as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

SPECIAL RESOLUTION 1:

THE PROPOSED CAPITAL REDUCTION

IT IS RESOLVED that:

- (a) pursuant to Regulation 53 of the Constitution of the Company, and Section 78A read with Section 78C of the Companies Act 1967, the issued and paid-up share capital of the Company be reduced by the cancellation of the share capital of the Company that has been lost or is unrepresented by available assets of the Company to the extent of S\$398,256,000; and
- (b) the Directors be and are hereby authorised to do and complete all such acts and things, including without limitation, to execute all such documents and to approve any amendments, alterations or modifications to any documents as they may consider necessary, desirable or expedient to give full effect to this Special Resolution.

BY ORDER OF THE BOARD

Soennerstedt Carl Johan Pontus
Executive Director & Chief Executive Officer

15 April 2024

NOTICE OF EXTRAORDINARY GENERAL MEETING

IMPORTANT INFORMATION

1. The Company's EGM is being convened and will be held, in a wholly physical format, at 81 Ubi Avenue 4, #03-11, UB. One, Singapore 408830, on Tuesday, 7 May 2024 at 10:00 a.m.. **There will be no option for members to participate in the EGM virtually.**

The Circular, Notice of EGM and the accompanying proxy form will be made available on the Company's website at <https://wearepolaris.sg/> and on the SGXNet at <https://www.sgx.com/securities/company-announcements>. A member will need an internet browser and PDF reader to view these documents. Printed copies of this Notice of EGM and the accompanying proxy form will be sent to members via post. Printed copies of the Circular will **NOT** be sent to members.

2. Members (including Central Provident Fund ("CPF") Investment Scheme members ("CPF Investors") and/or Supplementary Retirement Scheme investors ("SRS Investors")) may participate in the EGM by:

- a. attending the EGM in person;
- b. raising questions at the EGM or submitting questions in advance of the EGM; and/or
- c. voting at the EGM (i) themselves personally; or (ii) through their duly appointed proxy(ies).

CPF Investors and SRS Investors who wish to appoint the Chairman of the EGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10:00 a.m. on 25 April 2024, being seven (7) working days prior to the date of the EGM.

Please bring along your NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process.

3. Members are encouraged to submit questions relating to the resolution to be tabled for approval at the EGM in advance in the following manner:

- (a) if submitted by post, to the Company's office at 81 Ubi Avenue 4, #03-11, UB. One, Singapore 408830, attention to Polaris EGM; or
- (b) If submitted electronically, by email to ir@wearepolaris.com.

All questions for the EGM must be submitted by 10:00 a.m. on 23 April 2024.

After the cut-off time for the submission of questions, any subsequent clarifications sought or follow-up questions will be addressed at the EGM.

Members will need to identify themselves when posing questions by email or by post by providing the following details:

- the member's full name (for individuals)/company name (for corporations) as it appears on his/her/its CDP/CPF/SRS share records;
- the member's NRIC/Passport/UEN number;
- the member's contact number and email address; and
- the manner in which the member holds his/her/its Shares in the Company (e.g. via CDP, CPF or SRS or physical script(s)).

The Company will endeavour to address all substantial and relevant questions submitted in advance of the EGM by publishing the responses to such questions on SGXNet and the Company's website at <https://www.wearepolaris.sg/investor-relations/>, by 10:00 a.m. on 2 May 2024 (being not less than forty-eight (48) hours prior to the closing date and time for the lodgment of the proxy forms).

Where substantial relevant questions submitted by Shareholders are unable to be addressed prior to the EGM, the Company will address them during the EGM. The Company shall only address relevant and substantial questions (as may be determined by the Company in its sole discretion) received. The Company will publish the minutes of the EGM on SGXNet and the Company's website at <https://www.wearepolaris.sg/investor-relations/> within one (1) month from the date of the EGM. The minutes would include the responses to the substantial and relevant questions addressed at the EGM.

4. A member who is not a Relevant Intermediary (as defined below) is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the EGM. A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf. Where such a member appoints two (2) proxies, the proportion of his/her/its shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her/its name in the Depository Register and any second named proxy as an alternate to the first named.

A member who is a Relevant Intermediary (as defined below) is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of a proxy.

"**Relevant Intermediary**" has the meaning prescribed to it in Section 181 of the Companies Act:

- a. a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation whose business includes the provision of nominee services and who holds shares in that capacity;
- b. a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 and who holds shares in that capacity; or

NOTICE OF EXTRAORDINARY GENERAL MEETING

- c. the CPF Board established by the CPF Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

A member can appoint the Chairman of the EGM as his/her/its proxy, **but** this is **not mandatory**.

If a member wishes to appoint the Chairman of the EGM as a proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the EGM as a proxy. If no specific direction is given as to voting or abstentions from voting in respect of a resolution in the form of a proxy, the appointment of the Chairman of the EGM as a proxy for that resolution will be treated as invalid.

5. A proxy need not be a member of the Company.
6. The instrument appointing a proxy/proxies, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must be deposited in the following manner:
- a. if sent personally or by post, be received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or
- b. if submitted electronically, be received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., via email at polaris@boardroomlimited.com (e.g. a clear scanned signed form in PDF),

in either case, by **10:00 a.m. on 4 May 2024** (being not less than seventy-two (72) hours before the time appointed for holding the EGM) (or at any adjournment thereof) and in default, the instrument of proxy shall not be treated as valid.

Members of the Company are encouraged to submit completed proxy forms electronically via email.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer, failing which the instrument of proxy may be treated as invalid. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified true copy thereof must be lodged with this proxy form, failing which the instrument of proxy may be treated as invalid.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, 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 (such as in the case where the appointor submits more than one instrument appointing a proxy or proxies).
9. In the case of a member whose shares are entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have any shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time set for holding the EGM, as certified by the CDP to the Company.

Personal data privacy:

"**Personal data**" in this Notice of EGM has the same meaning as "personal data" in the Personal Data Protection Act 2012, which includes your name, address and NRIC/Passport number.

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) 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 (iii) 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.

Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes to be prepared in respect of the EGM. Accordingly, the personal data of a member of the Company (such as his name, his presence at the EGM and any questions he may raise or any motions he may propose/second) may be recorded by the Company for such purpose.

This Notice has been reviewed by the Company's sponsor, Evolve Capital Advisory Private Limited (the "**Sponsor**"). This Notice 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 the statements or opinions made or reports contained in this Notice.

The contact person for the Sponsor is Mr. Jerry Chua, Registered Professional, Evolve Capital Advisory Private Limited, 138 Robinson Road, #13-02, Oxley Tower, Singapore 068906, Telephone (65) 6241 6626.

PROXY FORM

PROXY FORM



POLARIS LTD.

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

IMPORTANT:

1. For investors who have used their Central Provident Fund (“CPF”) and/or Supplementary Retirement Scheme (“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 EGM to specify voting instructions and to ensure that their votes are submitted.
3. This Proxy Form shall be read together with the Notice of EGM and the Circular of the Company dated 15 April 2024 (the “Circular”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular.

I/We _____ (Name) _____ (NRIC/Passport Number/Company Registration No.)

of _____ (Address)

being a member/members* of **POLARIS LTD.** (the “Company”), hereby appoint

NAME	ADDRESS	NRIC or Passport No.	Proportion of Shareholdings	
			No. of Shares	%

*and/or

NAME	ADDRESS	NRIC or Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her/them*, the Chairman of the Extraordinary General Meeting of the Company (the “EGM”) as my/our* proxy(ies) to attend, speak and vote for me/us* on my/our* behalf at the EGM to be held at 81 Ubi Avenue 4, #03-01, UB. One, Singapore 408830 on Tuesday, 7 May 2024 at 10:00 a.m. and at any adjournment thereof. I/We* direct my/our* proxy(ies) to vote for or against or abstain from voting on the Resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy will vote or abstain from voting at his/her discretion.

All resolutions put to the vote at the EGM shall be decided by way of poll.

(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 in the “Abstain” box in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the EGM and at any adjournment thereof. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as your proxy for that resolution will be treated as invalid.)

RESOLUTIONS	For	Against	Abstain
Ordinary Resolution 1 To approve the Proposed Diversification			
Special Resolution 1 To approve the Proposed Capital Reduction			

*Delete where inapplicable

Dated this _____ day of _____ 2024

Signature(s) of Member(s) or Common Seal of
Corporate Shareholder

Total Number of Shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

PROXY FORM

Notes:

1. 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/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members of the Company, he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members of the Company, he/she/it 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.
2. A member who is not a Relevant Intermediary (as defined below) is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the EGM. A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf. Where such a member appoints two (2) proxies, the proportion of his/her/its shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her/its name in the Depository Register and any second named proxy as an alternate to the first named.
3. A member who is a Relevant Intermediary (as defined below) is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of a proxy.

“**Relevant Intermediary**” has the meaning prescribed to it in Section 181 of the Companies Act 1967:

- a. a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation whose business includes the provision of nominee services and who holds shares in that capacity;
- b. a person holding a capital markets services licence holder to provide custodial services under the Securities and Futures Act and who holds shares in that capacity; or
- c. the CPF Board established by the CPF Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

The proxy need not be a member of the Company. Please note that if any of your shareholdings are not specified in the list provided by the Relevant Intermediary to the Company, the Company has the sole discretion to disallow the participation of the said proxy at the forthcoming EGM.

A member can appoint the Chairman of the EGM as his/her/its proxy, **but** this is **not mandatory**.

If a member wishes to appoint the Chairman of the EGM as a proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the EGM as a proxy. If no specific direction is given as to voting or abstentions from voting in respect of a resolution in the form of a proxy, the appointment of the Chairman of the EGM as a proxy for that resolution will be treated as invalid.

4. The instrument appointing a proxy or proxies must be executed under the hand of the appointer or of his/her/its attorney duly authorised 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 appointer, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument of proxy may be treated as invalid.
5. The instrument appointing a proxy or proxies, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must be deposited in the following manner:
 - a. if sent personally or by post, be received by our Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632, attention to Polaris EGM; or
 - b. if submitted electronically, be received by our Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., via email at polaris@boardroomlimited.com (e.g. a clear scanned signed form in PDF),

in either case, by **10:00 a.m. on 4 May 2024** (being not less than seventy-two (72) hours before the time appointed for holding the EGM) and in default, the instrument of proxy shall not be treated as valid.

Members of the Company are strongly encouraged to submit completed proxy forms electronically via email.

6. Please indicate with a tick in the spaces provided whether you wish your vote(s) to be for or against the Resolution(s) 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.
7. 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 appointer are not ascertainable from the instructions of the appointer specified in the instrument appointing a proxy or proxies.
8. Completion and return of the Proxy Form by a member will not prevent him/her/it from attending, speaking and voting at the EGM if he/she/it so wishes. The appointment of the proxy(ies) for the EGM will be deemed to be revoked if the member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the EGM.
9. An investor who buys shares using CPF monies (“**CPF Investor**”) and/or 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 Investors / SRS Investors who wish to vote should approach their respective CPF Agent Bank / SRS Operator at least seven (7) working days before the EGM (i.e. by 25 April 2024), to ensure that their votes are submitted.
10. 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 CDP to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 15 April 2024.