

RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM A SHAREHOLDER IN RELATION TO THE ANNUAL GENERAL MEETING TO BE HELD ON 28 APRIL 2026

The Board of Directors (the "**Board**" or "**Directors**") of Polaris Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's annual report for the financial year ended 31 December 2025 (the "**Annual Report 2025**") and the notice of annual general meeting dated 13 April 2026 (the "**Notice of AGM**") in relation to the annual general meeting of the Company to be held on Tuesday, 28 April 2026 at 2.00 p.m. (the "**AGM**").

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings ascribed to them in the Annual Report 2025 and the Notice of AGM.

The Board would like to thank shareholders for submitting their questions in advance of the AGM. The Company sets out below its responses to the substantial and relevant questions received from a shareholder in relation to the AGM. Where questions overlap or are closely related, they have been consolidated and, where appropriate, rephrased for clarity.

Question 1

Profitability: The Company has been in a loss-making position for multiple consecutive years. What concrete steps are being taken to return to profitability, and what is the expected timeline?

Company's responses

The Group remains focused on improving its financial performance through initiatives to increase revenue, enhance gross profit margins and progressively reduce its exposure to loss-making sectors and business units. These efforts are supported by ongoing cost optimisation measures and the scaling of selected business segments, which contributed to a reduction in the Group's loss from S\$2.1 million for the financial year ended 31 December 2024 ("**FY2024**") to S\$1.4 million for the financial year ended 31 December 2025 ("**FY2025**").

Barring unforeseen circumstances, the Group will continue to pursue improved financial performance through the combined effect of these initiatives and continued cost discipline. While the Board continues to hold management accountable against operational and financial objectives, the pace of improvement remains subject to market conditions and execution. Accordingly, the Group is not in a position to provide a definitive timeline for a return to profitability at this stage, but will continue to keep shareholders informed through its interim and annual results announcements.

Question 2

Audit Variances: The FY2025 results showed material differences between unaudited and audited figures. How will management ensure greater transparency and accuracy in financial reporting going forward?

Company's responses

The Group acknowledges the material differences between unaudited and audited financial figures for FY2025 and takes this matter seriously. Going forward, the Group will endeavour to further strengthen its financial closing and review processes, including the earlier identification and assessment of material audit adjustments, so that such adjustments may, where appropriate, be reflected in the unaudited results announcement. The objective is to reduce significant variances between unaudited and audited financial statements and to enhance the overall accuracy and transparency of the Group's financial reporting.

Question 3

Cash Position: With cash reserves near zero, how does the Company plan to sustain operations without resorting to excessive shareholder dilution?

Company's responses

As previously announced on 27 January 2025, 17 April 2025 and 20 February 2026, the Company has undertaken the divestment of its non-core investment properties. These disposals are intended to improve the Group's working capital position, allow the Group to focus more closely on its core business activities and reduce liabilities. In this regard, the Group's debt decreased from S\$2.2 million as at 31 December 2024 to S\$0.5 million as at 31 December 2025.

With the expected improvement in cash flow following receipt of the disposal proceeds, the Group expects to be better positioned to support its operational requirements and ongoing business initiatives. The Board remains mindful of the need to manage the Group's capital position prudently and with due regard to shareholders' interests.

Question 4

Revenue Decline: What is the strategy to reverse declining revenue in the electronics distribution and retail segments?

Company's responses

The Group has deliberately reduced its exposure to lower-margin products within the consumer electronics segment. Going forward, the Group intends to focus on higher-margin products and business segments, including pre-loved luxury goods trading. This strategic repositioning is intended to improve overall profitability and strengthen revenue quality, rather than prioritising volume growth at lower margins.

Question 5

Regional Expansion: Are there plans to consolidate or expand operations in Southeast Asia to strengthen margins and improve competitiveness?

Company's responses

The Group currently operates across several Southeast Asian markets, including Indonesia, the Philippines, Thailand and Vietnam, and is in the process of expanding into Malaysia. The Group will continue to evaluate opportunities to strengthen its regional footprint in a measured and disciplined manner, with a view to enhancing scale, improving margins and strengthening its competitive position. Any expansion will be assessed on a case-by-case basis, with due regard to capital discipline and profitability.

Question 6

New Ventures: Is management exploring diversification into higher-margin businesses beyond mobile and lifestyle electronics?

Company's responses

As noted in the response to Question 4 above, the Group is actively pursuing diversification into higher-margin business segments. In particular, the Group is expanding its pre-loved luxury goods trading business and increasing its focus on higher-margin electronics products. These initiatives form part of the Group's broader efforts to improve profitability and build a more resilient business.

Question 7

Board Accountability: How is the board holding management accountable for persistent losses, and what performance metrics are being used?

Company's responses

The Board exercises oversight of management through the Group's established governance framework, including regular Board and committee reviews of strategy, financial performance, risk management and internal controls. Management performance is assessed with reference to relevant operational and financial indicators, including improvements in profitability, revenue performance across business segments and cost management. The Board will continue to review management's performance and the Group's strategic direction with a view to safeguarding the long-term interests of the Company and its shareholders.

Question 8

Dividend Policy: Given the long absence of dividends, under what conditions would the Company consider reinstating payouts to shareholders?

Company's responses

No dividends have been declared due to the absence of distributable profits. The Company will reassess its dividend position when its financial performance and cash position have sufficiently stabilised, taking into account the Group's profitability, cash flow generation, financial position and future capital requirements.

Question 9

Shareholder Dilution: Will future fundraising be structured to protect long-term shareholders from excessive dilution?

Company's responses

The Board is mindful of the interests of all shareholders, including minority shareholders. In the event of any future fundraising exercise, the Company will consider the relevant funding structure in light of the Group's circumstances at the material time and will make the requisite disclosures, including on the rationale, use of proceeds and potential dilutive impact, in accordance with the applicable requirements, so as to enable shareholders to make informed assessment.

Question 10

Operational Efficiency: What measures are being taken to reduce operating costs and improve efficiency, including potential investments in digital transformation?

Company's responses

The Group continues to implement initiatives to improve operational efficiency, including cost-control measures across its business segments and supply-chain optimisation. These initiatives are intended to enhance profit margins, improve cost efficiency and support the Group's operational effectiveness. In addition, the Group is exploring the use of digital and artificial intelligence solutions to improve efficiency, particularly in the pre-loved luxury goods business, including in customer service and business analytics.

Question 11

Risk Management: How will the Company address its liquidity challenges in FY2026, and what strategies are in place to differentiate Polaris from competitors in the region?

Company's responses

The Group maintains a disciplined approach to risk management, particularly in relation to liquidity. This includes close monitoring of cash flow, continued cost discipline, and a focus on business units that can generate sustainable cash flows. These measures are intended to strengthen the Group's financial resilience and support the longer-term sustainability of its business.

BY ORDER OF THE BOARD
POLARIS LTD.

Sugiono Wiyono Sugialam
Executive Director
22 April 2026

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

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