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

PROPOSED SALE OF PROPERTY

1. INTRODUCTION

The board of directors (the "**Board**" or the "**Directors**") of Polaris Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company had, on 12 March 2020, entered into an option agreement ("**Option Agreement**") with Hua Chang Construction Pte. Ltd. (the "**Purchaser**"), whereby the Company granted an option to the Purchaser to purchase from the Company (the "**Option**"), the Company's investment property at 81 Ubi Avenue 4 #03-15 UB.One Singapore 408830 (the "**Property**") (the "**Proposed Sale**").

2. THE PROPOSED SALE

2.1 Information on the Property

The Property is located at 81 Ubi Avenue 4 #03-15 UB.One Singapore 408830. The tenure of the land is 60 years from 31 December 2008. It was used by the Group as a warehouse for keeping fast moving stocks and is currently vacant. The Property was purchased by the Company in 2014 to enable the Group's then planned business expansion.

2.2 Information on the Purchaser

The information presented herein relating to information on the Purchaser is based on information provided by the Purchaser. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.

The Purchaser is a private company incorporated in the Republic of Singapore, having its registered office and principal place of business at 621 Aljunied Road, #05-07 Lipo Building, Singapore 389834. It is principally engaged in the building construction business.

The sole director and shareholder of the Purchaser is Mr. Wang Zhenmin, a Singapore citizen.

The Purchaser and its sole director and shareholder and their respective associates are not related to the Company, its directors and substantial shareholders, or their respective associates, and the Purchaser and its sole director and shareholder do not currently hold any shareholding interest (direct or indirect) in the Company.

2.3 Sale Price

Pursuant to the Option Agreement, the sale price for the Property is S$720,000 (the "**Sale Price**"), excluding good and services tax, and is to be satisfied fully in cash. The Sale Price was arrived at based on arm's length negotiations between the parties, after taking into account prevailing market conditions and the market value of the Property. No valuation has been commissioned by the Company due to publicly available market prices. The market price for a slightly larger but comparable unit transacted at S$720,000 in January 2020 based on an SRX transactions history search conducted by the Company.

The Sale Price shall be payable by the Purchaser to the Vendor in the following manner:

(a) an initial deposit of S$7,200 (the "**Option Money**"), equivalent to 1% of the Sale Price, which had been paid by the Purchaser to the Company upon the signing of the Option Agreement;

(b) a further deposit of S$28,800 (together with the Option Money, the "**Deposit**"), equivalent to 4% of the Sale Price, which is to be paid by the Purchaser to the Company upon the exercise of the Option; and

(c) the balance of S$684,000, equivalent to 95% of the Sale Price, shall be payable by the Purchaser to the Company on the date of completion of the Proposed Sale.

2.4 Salient terms of the Proposed Sale

2.4.1 Salient terms of the Option Agreement are, *inter alia,* as follows:-

(i) Title to the Property sold shall be properly deduced and free from encumbrances but is subject to the restrictive and other covenants and conditions and reservations affecting the same, if any, on completion of the Proposed Sale; and

(ii) The Property is sold with vacant possession to be delivered at completion of the sale and purchase herein.

2.4.2 The Proposed Sale is subject to the Purchaser's solicitors receiving satisfactory replies to the legal requisitions as set out in the Option Agreement.

2.4.3 The completion of the Proposed Sale shall take place within ten (10) weeks from the date of the exercise of the Option (the "**Completion Date**").

3. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

The relative figures in relation to the Proposed Sale are computed on the applicable bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**") based on the latest announced unaudited consolidated financial statements for the Group for the financial year ended 31 December 2019 ("**FY2019**") (as at the date of the Option Agreement).

Rule 1006	**Bases**	**Relative Figures**
(a)	Net asset value of the assets to be disposed of, compared with the Group's net assets value	5.27%(1)
(b)	Net profits attributable to the assets to be disposed of, compared with the Group's net profits	1.68%(2)
(c)	Aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	1.41%(3)
(d)	Number of equity securities issued as consideration for an acquisition, compared with the number of securities previously in issue	Not applicable(4)
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable(5)

Notes:

(1) The net asset or book value of the Property and the net asset value of the Group as at 31 December 2019 were approximately S$755,344 and S$14,330,962 respectively.

(2) The net profit attributable to the asset is S$3,469 and the Group's net profit for FY2019 is S$206,812.

(3) The aggregate value of the consideration is the Sale Price, being S$720,000. The market capitalisation of the Company of S$51,159,509 is determined by multiplying 17,053,169,818 ordinary shares in issue ("**Shares**") as at the date of this announcement by the volume weighted average price of the Shares of approximately S$0.003 for trades done on 11 March 2020, being the full market day immediately preceding the date of the Option Agreement.

(4) Rule 1006(d) of the Catalist Rules is not applicable to a disposal of assets.

(5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

Having regard to the above, as the relative figure as computed under Rule 1006(a) in respect of the Proposed Sale exceeds 5% but does not exceed 50%, the Proposed Sale constitutes a discloseable transaction within the meaning of Chapter 10 of the Catalist Rules. As such, the Company is required to make an immediate announcement of the Proposed Sale but the Proposed Sale is not subject to the approval of shareholders of the Company in a general meeting.

4. FINANCIAL INFORMATION

4.1 Book value of the Property and deficit of Sale Price over book value

Based on the unaudited consolidated financial statements of the Group for FY2019, the net asset or book value of the Property amounted to approximately S$755,344 as at 31 December 2019. The deficit of the Sale Price over the book value of the Property will amount to approximately S$35,344. After deducting estimated expenses in connection with the Proposed Sale of approximately S$17,000, there will be a net loss on the Proposed Sale of approximately S$52,344.

4.2 Use of net proceeds from the Proposed Sale

The estimated net proceeds from the Proposed Sale, after deducting estimated expenses to be incurred in connection with the Proposed Sale of approximately S$17,000, is approximately S$703,000 ("**Net Proceeds**").

The Company intends to utilise the Net Proceeds for general working capital requirements of the Group.

4.3 Financial effects of the Proposed Sale

The *pro forma* financial effects of the Proposed Sale on the net tangible assets ("**NTA**") per share and the earnings per share ("**EPS**") of the Group set out below are purely for illustrative purposes only and are therefore not indicative of the actual future financial position of the Company and/or the Group after the completion of the Proposed Sale.

The financial effects of the Proposed Sale on the Group as set out below are based on the Group's unaudited financial statements for FY2019 and the following assumptions:

(i) the Proposed Sale had been completed on 31 December 2019 for the computation of the effect on the NTA per share of the Group;

(ii) the Proposed Sale had been completed on 1 January 2019 for the computation of the effect on the EPS of the Group;

(iii) no adjustments have been made to align any differences that may result from the adoption of different accounting standards and policies by the Group; and

(iv) the expenses to be incurred in connection with the Proposed Sale are estimated to be S$17,000.

NTA	Before completion of the Proposed Sale	After completion of the Proposed Sale
NTA attributable to equity holders of the Company (S$'000)	14,331	14,279
Number of ordinary shares in issue ('000) (excluding treasury shares)	17,053,170	17,053,170
NTA per share (Singapore cents)	0.084	0.084

EPS	Before completion of the Proposed Sale	After completion of the Proposed Sale
Profit attributable to equity holders of the Company[(2)] (S$'000)	205	153
Weighted average number of ordinary shares in issue ('000) (excluding treasury shares)	17,053,170	17,053,170
EPS[(1)] per share (Singapore cents)	0.0012	0.0009

Notes:
(1) EPS is calculated based on the weighted average number of ordinary shares in issue during FY2019.
(2) In arriving at the profit attributable to shareholders assuming that the Proposed Sale was completed on 1 January 2019, adjustment has been made for depreciation expenses which were incurred for the Property during the financial year.

5. RATIONALE FOR THE PROPOSED SALE

The Company is of the view that the Proposed Sale will be in the best interests of the Company. The Property has not been leased out for the past year and is no longer required by the Group. The Proposed Sale will provide additional working capital for the Group's operations and will also enable the Company to focus on its core business.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholder(s) of the Company and/or their respective associates has any interest, direct or indirect, in the Proposed Sale (other than through their respective shareholdings in the Company, if any).

7. SERVICE CONTRACTS

No person will be appointed to the Board of the Company in connection with the Proposed Sale. Accordingly, no service contract in relation thereto will be entered into between the Company and any such person.

8. RESPONSIBILITY STATEMENT

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

this announcement 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 announcement in its proper form and context.

9. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Option Agreement is available for inspection at the Company's office at 81 Ubi Avenue 4 #03-11 UB.One Singapore 408830 during normal business hours for three (3) months from the date of this announcement.

10. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the Proposed Sale as and when there are material developments.

11. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their shares in the Company. There is no certainty or assurance as at the date of this announcement that no changes will be made to the terms of the Proposed Sale or that the Proposed Sale will be completed. Shareholders and potential investors of the Company are advised to read this announcement and further announcements made by the Company, if any, carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Soennerstedt Carl Johan Pontus
Executive Director & CEO

12 March 2020

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

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