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**POLARIS LTD.**

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

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**PROFIT GUIDANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**  
**- PROVISION FOR THE IMPAIRMENT OF INVESTMENT AND TRADE RECEIVABLES IN AN ASSOCIATED COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

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The Board of Directors (the “**Board**”) of Polaris Ltd. (the “**Company**”, together with its subsidiaries and associates, collectively referred to as the “**Group**”) refers to the Company’s profit guidance announcements dated 30 October 2015 and 9 November 2015 respectively (“**Announcements**”).

Further to the Announcements, the Company wishes to announce that the Company has made a provision for the full impairment of investment of S\$313.3 million in its associated company, PT Trikonsel Oke Tbk (“**Trikonsel**”), in which the Company has a 44.88% shareholding.

For the financial year ended 31 December 2015, the Group recorded a loss due to significant impairment on Trikonsel which has been under the court-supervised debt moratorium and restructuring process known as a Suspension of Debt Payment Obligations (Penundaan Kewajiban Pembayaran Utang, or “**PKPU**”) order since 4 January 2016 due to its debt restructuring process. The total amount fully impaired is reported at S\$320,746,064 which consists of the equity investment by the Company of S\$302,329,037, the outstanding trade receivables of S\$2,512,680, the equity consolidation for the financial year ended 31 December 2015 of S\$15,279,676 and foreign exchange and other reserves of S\$624,671. The Board has taken a precautionous and conservative approach at this stage due to the on-going process of PKPU with the Legislative Court in which Trikonsel is given a 60 days extension until 18 April 2016 to present its debt restructuring proposal to creditors.

The debt restructuring in Trikonsel is mainly triggered by the slowing down of the Indonesia economy, accompanied with the fluctuation of the foreign exchange denomination that Indonesia Rupiah as the local currency depreciates year-on-year by 11.5% against US Dollar. The Board keeps its confidence level for Trikonsel and hopes that the downturn cycle of business would end soon.

On a standalone basis, the Company reported a revenue of SGD 156,148,000, and net profit of SGD 674,000 for FY2015 which translates into a growth of 17.3% in revenue and 301% in net profit respectively as compared to the same period of year before.

The Board confirms that the Company is independently operated from Trikonsel. The Company has not provided any corporate guarantee nor has any of its directors provided any personal guarantees for the financial indebtedness of Trikonsel. The major shareholders namely Tres Maria Capital Ltd. has not provided any share pledges in the shares of the Company to secure any financing for the Company. There are no cross default events that are triggered by the Company arising from the financial defaults of Trikonsel as the financial obligations of the Company are independent from Trikonsel.

The Group will continue to strengthen its regional retail and distribution expansion plans by further penetrating into developing markets such as Malaysia, Myanmar, Philippines and Thailand and exercise financial prudence, while developing the targeted growth areas. The Group will also remain cautious of its outlook for the remaining financial year.

The Company will continue to keep its shareholders updated of any further material developments in Trikonsel. Copies of the Announcements are available on the SGX-ST website at [www.sgx.com](http://www.sgx.com).

**In the meantime, shareholders of the Company are advised to refrain from taking any action in respect of their shares in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the shares of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.**

**By Order of the Board  
Ang Chuan Hui, Peter  
Executive Director & CEO**

**Date: 26 February 2016**

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of the SGX-ST. The Company's Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by 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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