

POLARIS LTD.

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

UPDATE ON AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015 AND 31 DECEMBER 2016 RELATING TO INVESTMENT IN ASSOCIATE COMPANY

The Board of Directors (the “**Board**”) of Polaris Ltd. (the “**Company**”) refers to the Company’s announcements dated 26 February 2016, 4 April 2016 and 12 May 2017 (the “**Announcements**”) relating to investment in associate company, PT Trikonsel Oke Tbk. (“**Trikonsel**”).

Further to the Announcements, the Company wishes to update its shareholders on the differences between the Company’s audited financial statements for the financial years ended 31 December 2015 and 31 December 2016 (the “**Audited Financial Statements**”) and what the Audited Financial Statements would have reflected had the Company equity accounted for the results of Trikonsel for the financial years ended 31 December 2015 and 31 December 2016, such differences being reflected in the attached table, where:

- The “Audited” column reflects the figures as reported in the Audited Financial Statements;
- The “Proforma” column reflects what the Audited Financial Statements would have reflected had the Company equity accounted for the results of Trikonsel for the financial years ended 31 December 2015 and 31 December 2016; and
- The “Difference” column reflects the difference (where applicable) between the figures in the “Audited” and “Proforma” columns.

Shareholders should note that while there are re-classifications of a number of accounts between the “Audited” and “Proforma” column for the financial year ended 31 December 2015, the total comprehensive income/(loss) for the financial year ended 31 December 2015 would remain the same had the Company equity accounted for the results of Trikonsel for the financial years ended 31 December 2015. The total comprehensive income/(loss) for the financial year ended 31 December 2016 would remain the same had the Company equity accounted for the results of Trikonsel for the financial year ended 31 December 2016.

The Company will continue to keep its shareholders informed of any further material developments in Trikonsel.

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

20 June 2017

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 Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Company's Sponsor has not independently verified the content of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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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	<u>2015</u>	<u>2015</u>	<u>2015</u>
	S\$'000	S\$'000	S\$'000
	Audited	Proforma	Difference
Revenue	156,148	156,148	-
Cost of sales	(148,431)	(148,431)	-
Gross profit	7,717	7,717	-
Other items of income			
Interest income	486	486	-
Other income	1,503	1,503	-
Other items of expense			
Marketing and distribution	(415)	(415)	-
Administrative expenses	(7,425)	(7,425)	-
Finance costs	(900)	(900)	-
Impairment of investment in an associate	(300,990)	-	(300,990)
Other expenses	(11,640)	(11,640)	-
Share of results of associates	(16,742)	(318,984)	302,242
Profit/(Loss) before income tax	(328,406)	(329,658)	1,252
Income tax	331	331	-
Profit/(Loss) for the year	(328,075)	(329,327)	1,252
Attributable to:			
Owners of the Company	(325,706)	(326,958)	1,252
Non-controlling interests	(2,369)	(2,369)	-
Profit/(Loss) for the year	(328,075)	(329,327)	1,252

	<u>2015</u>	<u>2015</u>	<u>2015</u>
	S\$'000	S\$'000	S\$'000
	Audited	Proforma	Difference
Earnings/(Loss) per share attributable to owners of the			
Company (S\$ cents)			
Basic and diluted	(1.91)	(1.91)	-
Profit/(Loss) for the year	(328,075)	(329,327)	1,252
Other comprehensive income/(loss):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Share of an associate's other comprehensive loss	(625)	627	(1,252)
Foreign currency translation	436	436	-
Other comprehensive income/(loss) for the year, net of tax	(189)	1,063	(1,252)
Total comprehensive income/(loss) for the year	(328,264)	(328,264)	-
Attributable to:			
Owners of the Company	(325,925)	(325,925)	-
Non-controlling interests	(2,339)	(2,339)	-
Total comprehensive income/(loss) for the year	(328,264)	(328,264)	-

	<u>2016</u>	<u>2016</u>	<u>2016</u>
	S\$'000	S\$'000	S\$'000
	Audited	Proforma	Difference
Revenue	89,855	89,855	-
Cost of sales	(84,512)	(84,512)	-
Gross profit	5,343	5,343	-
Other items of income			
Interest income	320	320	-
Other income	593	593	-
Other items of expense			
Marketing and distribution	(75)	(75)	-
Administrative expenses	(5,954)	(5,954)	-
Finance costs	(468)	(468)	-
Impairment of investment in an associate	-	-	-
Other expenses	1,198	1,198	-
Share of results of associates	46	46	-
Profit/(Loss) before income tax	1,003	1,003	-
Income tax	61	61	-
Profit/(Loss) for the year	1,064	1,064	-
Attributable to:			
Owners of the Company	1,060	1,060	-
Non-controlling interests	4	4	-
Profit/(Loss) for the year	1,064	1,064	-

	<u>2016</u>	<u>2016</u>	<u>2016</u>
	S\$'000	S\$'000	S\$'000
	Audited	Proforma	Difference
Earnings/(Loss) per share attributable to owners of the			
Company (S\$ cents)			
Basic and diluted	0.006	0.006	-
Profit/(Loss) for the year	1,064	1,064	-
Other comprehensive income/(loss):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Share of an associate's other comprehensive loss	-	-	-
Foreign currency translation	147	147	-
Other comprehensive income/(loss) for the year, net of tax	147	147	-
Total comprehensive income/(loss) for the year	1,211	1,211	-
Attributable to:			
Owners of the Company	1,208	1,208	-
Non-controlling interests	3	3	-
Total comprehensive income/(loss) for the year	1,211	1,211	-

	Group		
	<u>2015</u>	<u>2015</u>	<u>2015</u>
	S\$'000	S\$'000	S\$'000
	Audited	Proforma	Difference
ASSETS			
Non-Current Assets			
Property, plant and equipment	6,102	6,102	-
Investment properties	2,501	2,501	-
Intangible assets	619	619	-
Investments in subsidiaries	-	-	-
Investments in associates	470	470	-
Other receivables	58	58	-
	9,750	9,750	-
Current Assets			
Trade and other receivables	11,867	11,867	-
Inventories	3,814	3,814	-
Assets held-for-sale	600	600	-
Prepaid operating expenses	133	133	-
Cash and short-term deposits	2,737	2,737	-
	19,151	19,151	-
Total Assets	28,901	28,901	-

	Group		
	<u>2015</u>	<u>2015</u>	<u>2015</u>
	S\$'000	S\$'000	S\$'000
	Audited	Proforma	Difference
EQUITY AND LIABILITIES			
Current Liabilities			
Loans and borrowings	3,098	3,098	-
Trade and other payables	6,370	6,370	-
Deferred revenue	60	60	-
Other liabilities	812	812	-
Income tax payable	116	116	-
	10,456	10,456	-
Non-Current Liabilities			
Loans and borrowings	5,627	5,627	-
Other payables	-	-	-
	5,627	5,627	-
Equity attributable to owners of the Company			
Share capital	402,747	402,747	-
Foreign currency translation reserve	792	792	-
Accumulated losses	(391,227)	(391,227)	-
	12,312	12,312	-
Non-controlling interests	506	506	-
Total Equity	12,818	12,818	-
Total Equity and Liabilities	28,901	28,901	-

	Group		
	<u>2016</u>	<u>2016</u>	<u>2016</u>
	S\$'000	S\$'000	S\$'000
	Audited	Proforma	Difference
ASSETS			
Non-Current Assets			
Property, plant and equipment	5,510	5,510	-
Investment properties	2,411	2,411	-
Intangible assets	404	404	-
Investments in subsidiaries	-	-	-
Investments in associates	482	482	-
Other receivables	346	346	-
	9,153	9,153	-
Current Assets			
Trade and other receivables	9,505	9,505	-
Inventories	1,448	1,448	-
Assets held-for-sale	-	-	-
Prepaid operating expenses	69	69	-
Cash and short-term deposits	6,737	6,737	-
	17,759	17,759	-
Total Assets	26,912	26,912	-

	Group		
	<u>2016</u>	<u>2016</u>	<u>2016</u>
	S\$'000	S\$'000	S\$'000
	Audited	Proforma	Difference
EQUITY AND LIABILITIES			
Current Liabilities			
Loans and borrowings	272	272	-
Trade and other payables	6,813	6,813	-
Deferred revenue	13	13	-
Other liabilities	419	419	-
Income tax payable	-	-	-
	7,517	7,517	-
Non-Current Liabilities			
Loans and borrowings	5,366	5,366	-
Other payables	-	-	-
	5,366	5,366	-
Equity attributable to owners of the Company			
Share capital	402,747	402,747	-
Foreign currency translation reserve	940	940	-
Accumulated losses	(390,167)	(390,167)	-
	13,520	13,520	-
Non-controlling interests	509	509	-
Total Equity	14,029	14,029	-
Total Equity and Liabilities	26,912	26,912	-

Notes 16 to the financial statements for the year ended 31 December 2015			
	31-Dec-15	31-Dec-15	Difference
	Audited results	Proforma	
	S\$000	S\$000	
Investment in associates, at cost			
- PT Trikonsel Oke Tbk.	313,267	313,267	-
- Other associates	234	234	-
Addition: investment in associates			
- Other associates	360	360	-
Share of post-acquisition reserves			
- PT Trikonsel Oke Tbk.	(11,652)	(313,267)	301,615
- Other associates	(124)	(124)	-
Provision for impairment of investment			
- PT Trikonsel Oke Tbk.	(301,615)	-	(301,615)
Total, net	470	470	-

Notes 16 to the financial statements for the year ended 31 December 2016			
	31-Dec-16	31-Dec-16	Difference
	Audited results	Proforma	
	S\$000	S\$000	
Investment in associates, at cost			
- PT Trikonsel Oke Tbk.	313,267	313,267	-
- Other associates	594	594	-
Share of post-acquisition reserves			
- PT Trikonsel Oke Tbk.	(11,652)	(313,267)	301,615
- Other associates	(78)	(78)	-
Disposal:			
- Other associates	(34)	(34)	-
Provision for impairment of investment			
- PT Trikonsel Oke Tbk.	(301,615)	-	(301,615)
Total, net	482	482	-