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

PROPOSED ACQUISITION OF SHARES IN PT TRIKOMSEL OKE TBK. FROM STANDARD CHARTERED PRIVATE EQUITY LIMITED

1. INTRODUCTION

The board of directors (the "**Board**" or the "**Directors**") of Polaris Ltd. (the "**Company**") wishes to announce that the Company has on 6 August 2014 entered into a conditional sale and purchase agreement (the "**SPA**") with Standard Chartered Private Equity Limited (the "**Vendor**") pursuant to which the Company has agreed to purchase, and the Vendor has agreed to sell an aggregate of 642,802,500 common shares in the capital of PT Trikomsel Oke Tbk. ("**Trikomsel**", and issued common shares in Trikomsel, the "**Trikomsel Shares**"), representing approximately 13.50% of the issued Trikomsel Shares (the "**Acquisition**").

Further details on the principal terms of the SPA are set out in this announcement.

2. DETAILS OF THE ACQUISITION

2.1 Information on PT Trikomsel Oke Tbk.

PT Trikomsel Oke Tbk. ("**Trikomsel**") is an Indonesian public listed company dealing in retail and distribution of telecommunication and multimedia products. Trikomsel has a market capitalisation of approximately Rp5,951,496million equivalent to approximately S$632.05million as of 5 August 2014 (using an exchange rate of Rp9,416.16:S$1 (*Source: Bank of Indonesia*)).

2.2 Information on the Vendor

Standard Chartered's Private Equity business was established in 2002 as the principal investment platform of Standard Chartered Group and has since invested more than USD 5 billion in over 100 companies across Asia, Africa and the Middle East.

2.3 Principal Terms of the SPA

2.3.1 Sale Shares

The Company has, subject to the terms and conditions of the SPA, agreed to purchase and the Vendor has agreed to sell 642,802,500 common shares in the capital of Trikomsel representing approximately 13.50% of the total number of outstanding shares in Trikomsel (the "**Sale Shares**").

As of the date of this announcement, the Company has an interest in 1,493,942,000 Trikomsel Shares representing approximately 31.38% of the total outstanding Trikomsel Shares (the "**Existing Trikomsel Shares**"), which comprises of 504,359,000 Trikomsel Shares acquired from Sugiono Wiyono Sugialam and PT SL Trio as announced on 4 August 2014 and 989,583,000 Trikomsel Shares acquired from JPMIB Canopus Finance Limited as announced on 6 August 2014 respectively.

The Company has also on 6 August 2014 announced (i) a proposed acquisition of 233,889,120 Trikomsel Shares from Asia Century Ventures Ltd (the "**ACV Sale Shares**") and (ii) that it has engaged the services of PT Trimegah Securities Tbk as a securities broker to purchase up to 11,000,000 Trikomsel Shares from the open market (the "**Open Market Shares**") at the Company's instructions from time to time.

Following the completion of the acquisition of the ACV Sale Shares and the Acquisition and assuming the completion of the acquisition of a maximum of 11,000,000 Open Market Shares, the Company will hold 2,381,633,620 Trikomsel Shares representing approximately 50.02% of the total outstanding Trikomsel Shares.

2.3.2 Consideration

The consideration for the sale of the Sale Shares to the Company is S$97,435,326 (the "**Consideration**") and shall be satisfied by the allotment and issuance to the Vendor of 4,236,318,535 ordinary shares in the capital of the Company at the agreed issue price of S$0.023 per share, all of which shall rank *pari passu* with the existing issued ordinary shares of the Company (the "**Consideration Shares**").

The Consideration being Rp1,440 per Sale Share converted at an exchange rate of Rp9,500: S$1 was arrived at a willing-buyer and willing-seller basis and taking into account the potential synergistic benefits to the Company and its subsidiaries (the "**Polaris Group**") arising from the Acquisition.

Rule 811(1) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") provides that an issue of shares must not be priced at more than a 10% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the SPA was signed. Rule 811(3) further provides, *inter alia*, that Rule 811(1) of the Catalist Rules is not applicable if specific shareholder approval is obtained for the issue of shares. As the issue price of S$0.023 represents a 17.86% discount to the volume weighted average price ("**VWAP**") of S$0.028 of the Shares on Catalist of the SGX-ST on 5 August 2014, being the full market day preceding the date of the SPA was entered into, the issuance of the Consideration Shares will be subject to the specific approval of the Company's shareholders (the "**Shareholders**").

2.3.3 Conditions

Under the terms of the SPA, the completion of the Acquisition is conditional upon, *inter alia*:

(a) if requested in writing by the Vendor to the Company, the appointment of a nominee of the Vendor to the Board as a non-executive director and, if further requested in writing by the Vendor to the Company, to (a) the remuneration committee of the Board; or (b) the audit committee of the Board, in each case subject only to completion of the Acquisition and to the approval of the Board and the Nominating Committee of the Company being obtained;

(b) the Company having prepared and issued a circular to its shareholders, convened a shareholders' meeting and obtained all approvals required for the Acquisition;

(c) the approval-in-principle of Stamford Corporate Services Pte. Ltd. (the "**Sponsor**") and the SGX-ST for the listing and quotation of all the Sale Shares on the Catalist Board of the SGX-ST and, if such approval is subject to conditions or restrictions imposed by the SGX-ST, such conditions and/or restrictions being acceptable to the Vendor (the "**SGX Approval**") having been obtained and not been revoked or amended;

(d) any conditions attached to the SGX Approval which are required to be fulfilled on or before completion of the Acquisition having been duly fulfilled to the satisfaction of the SGX-ST or waived by the SGX-ST;

(e) the trading of the shares of the Company on the SGX-ST not having been suspended;

(f) the Company having provided necessary documentation and information to satisfy all the requirements of Standard Chartered Bank's know-your-client process;

(g) there having been no material adverse change in the business or financial conditions, operating environment or management of the Polaris Group and/or any member of the Polaris Group;

(h) the Vendor having received all internal approvals required to enter into the Acquisition; and

(i) the warranties given by the Company remaining true, accurate and not misleading in all material respects and the Company having performed all its undertakings set out in the SPA in all material aspects.

(collectively, the "**Acquisition Conditions**").

The Vendor may at any time waive in whole or in part and conditionally or unconditionally any of the Acquisition Conditions by notice in writing to the Company.

2.3.4 Long-Stop Date and Completion

The SPA shall lapse if, *inter alia*, not all of the Acquisition Conditions have been satisfied or waived on or before 30 September 2014. Completion of the Acquisition shall take place following notification of the satisfaction or waiver of all of the Acquisition Conditions or such other date as the parties may agree.

2.4 Value of the Sale Shares

In this paragraph 2.4, the exchange rate of Rp9,416.16:S$1 as at 5 August 2014 (*Source: Bank of Indonesia*) has been used.

2.4.1 Book Value

Based on the unaudited consolidated financial statements of Trikomsel and its subsidiaries (the "**Trikomsel Group**") for the first quarter ended 31 March 2014 (the "**Trikomsel Group 1Q2014 Results**"), the book value (excluding non-controlling interests) of the Sale Shares is approximately Rp280,268million which is equivalent to approximately S$29.76million.

2.4.2 Net Tangible Asset Value

Based on the Trikomsel Group 1Q2014 Results, the net tangible asset value (excluding non-controlling interests) of the Sale Shares is approximately Rp280,191million which is equivalent to approximately S$29.76million.

2.4.3 Market Value

Based on the VWAP of the Trikomsel Shares transacted on the Indonesia Stock Exchange on 5 August 2014 (being the full market day immediately prior to the day on which the SPA was entered into on which the Trikomsel Shares were traded on the Indonesia Stock Exchange), the open market value of the Sale Shares is approximately Rp803,452million which is equivalent to approximately S$85.33million.

2.4.4 Net Profits

Based on the Trikomsel Group 1Q2014 Results, the profit before income tax, minority interests and extraordinary items attributable to the Sale Shares is approximately Rp20,520million which is equivalent to approximately S$2.18million.

2.5 Rationale and Benefits of the Acquisition

The Board believes that the Acquisition is in the best interests of the Company and the Shareholders for the following reasons:

(a) The Acquisition will open up new market opportunities for the Company and its subsidiaries (the "**Polaris Group**") in Indonesia where it currently does not have operations and enable the Polaris Group to tap on Asia's increasing purchasing power;

(b) The Acquisition is an opportunity to gain access to an extensive brand portfolio. Trikomsel is widely known in Indonesia and operates retail store Okeshop and Global Teleshop which have stores throughout Indonesia. Trikomsel also distributes mobile devices to approximately 15,000 resellers in Indonesia; and

(c) The Acquisition is synergistic and complementary to the Polaris Group's existing business offerings which will continue post-Acquisition, and Trikomsel provides a diversified, resilient and scalable business model for the Polaris Group to leverage on.

2.6 Directors' Service Contracts

As part of the Acquisition Conditions, the Vendor may request the appointment of a nominee of the Vendor to the Board as a non-executive director, such appointment subject to the approval

of the nominating committee of the Company and to completion of the Acquisition. Further announcements will be issued by the Company when details of any service contract of such nominee are available.

2.7 Shareholders' approval required

Pursuant to the SPA and subject to the terms and conditions stated therein, the Company shall allot and issue the Consideration Shares at the issue price of S$0.023 for each Consideration Share.

Section 161 of the Companies Act (Chapter 50) of Singapore (the "**Companies Act**"), the articles of association of the Company (the "**Articles**") and Rules 805 and 806 of the Catalist Rules provide that an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares, unless such shares are issued under a general mandate obtained from shareholders in general meeting. The issue of the Consideration Shares would exceed the ambit of the existing general share issue mandate granted by Shareholders at the last annual general meeting of the Company held on 30 April 2014. Hence, the Company will be seeking a separate specific approval of Shareholders for the allotment and issue of the Consideration Shares, for purposes of Section 161 of the CompaniesAct, the Articles and Rules 805 and 806 of the Catalist Rules.

Rule 803 of the Catalist Rules provides that an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting. Assuming the Consideration Shares are allotted and issued to the Vendor, the Vendor will hold approximately 24.84% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares) after the Acquisition. Accordingly, the issue of the Consideration Shares to the Vendor will constitute a transfer of controlling interest in the Company and is subject to the approval of the Shareholders for the purposes of Rule 803 of the Catalist Rules.

As disclosed in paragraph 2.3.2 above, pursuant to Rules 811(1) and 811(3) of the Catalist Rules, specific Shareholders' approval will also be sought for the issuance of the Consideration Shares.

2.8 Chapter 10 of the Catalist Rules

The relative figures for (i) the Acquisition on its own; and (ii) the Acquisition aggregated with the acquisition of the Existing Trikomsel Shares and the ACV Sale Shares ("**Acquisitions Aggregated**"), computed on the bases set out in Rule 1006 ("**Rule 1006**") of the Catalist Rules are as follows:

Rule 1006(a)	**Acquisition on its own**	**Acquisitions Aggregated**
Net asset value attributable to the assets to be disposed of	Not applicable	
Net asset value of the Polaris Group's net asset value		
Size of relative figure		

Rule 1006(b)	**Acquisition on its own**	**Acquisitions Aggregated**
Net profit attributable to the assets acquired ('000)[(1)]	S$6,714	S$24,758

Polaris Group's net profit ('000)[1]	S$796	S$796
Size of relative figure	843.48%	3,110.24%

Rule 1006(c)	Acquisition on its own	Acquisitions Aggregated
Aggregate value of the consideration given ('000)[2]	S$97,435	S$356,352
Company's market capitalisation as at 5 August] 2014 ('000)[3]	S$358,872	S$358,872
Size of relative figure	27.15%	99.30%

Rule 1006(d)	Acquisition on its own	Acquisition Aggregated
Number of equity securities issued by the Company as consideration for the acquisition ('000)	4,236,319	7,098,585
Number of equity securities previously in issue ('000)	12,816,851	12,816,851
Size of relative figure	33.05%	55.38%

Rule 1006(e)	Acquisition on its own	Acquisitions Aggregated
Aggregate volume or amount or proven and probable reserves to be disposed of	Not applicable	
Aggregate of the Polaris Group's proven and probable reserves		
Size of relative figure		

Notes:

(1) Net profit is defined as profit before income tax, minority interests and extraordinary items. The figures are based on the audited consolidated financial statements of the Trikomsel Group for the financial year ended 31 December 2013 ("**Trikomsel Group FY2013 Results**") and the audited consolidated financial statements of the Polaris Group for the financial year ended 31 December 2013 ("**Polaris Group FY2013 Results**"). Net profit of Rp478,832million (approximately S$49.7 million) was reported by the Trikomsel Group in the Trikomsel Group FY2013 Results. Net profit of S$795,991 was reported by the Polaris Group in the Polaris Group FY2013 Results.

(2) For the purpose of Rule 1006(c) of the Catalist Rules, the consideration for the Acquisition is deemed to be S$97.4million which is the market value of the Consideration Shares based on the VWAP of the Shares on 5 August 2014, being the market day preceding the date of the SPA.

(3) Market capitalisation has been calculated on the basis of 12,816,851,283 Shares in issue multiplied by the VWAP of the Shares on 5 August 2014, being the market day preceding the date of the SPA.

Having regard to the above, as one of the relative figures set out above exceeds 100%, the Acquisition would constitute a "very substantial acquisition" or "reverse takeover" under Rule 1015 of the Catalist Rules.

However, pursuant to Rule 1015(8) of the Catalist Rules, as the Acquisition is an acquisition of a profitable asset and the only limit breached is Rule 1006(b) of the Catalist Rules, the Acquisition constitutes a "major transaction" as defined in Chapter 10 of the Catalist Rules and is subject to the approval of shareholders at an EGM of the Company to be convened.

The acquisition of the Open Market Shares has not been taken into account in the calculation of the relative figures as such acquisition has not taken place. The Company will make further announcements as and when the acquisition of the Open Market Shares takes place in accordance with the Catalist Rules.

4. FINANCIAL EFFECTS OF THE ACQUISITION

4.1 Assumptions

The pro forma financial effects of the Acquisition on the Company and its subsidiaries (the "**Polaris Group**") have been prepared based on the figures derived from the Polaris Group's audited consolidated financial statements for the financial year ended 31 December 2013 ("**FY2013**") and are purely for illustration purposes only and do not reflect the actual future results and financial position of the Polaris Group following the completion of the Acquisition.

4.2 Net Tangible Assets

For illustrative purposes and assuming the acquisition of the Existing Trikomsel Shares and the ACV Sale Shares as well as the Acquisition had been completed on 31 December 2013, the pro forma financial effects on the consolidated net tangible assets ("**NTA**") for FY2013 are as follows:

	Before the acquisition of the Existing Trikomsel Shares and the ACV Sale Shares, and the Acquisition	**After the acquisition of the Existing Trikomsel Shares and the ACV Sale Shares, but before the Acquisition**	**After the acquisition of the Existing Trikomsel Shares and the ACV Sale Shares, and the Acquisition**
NTA (S$'000)	18,612	18,612	116,048
Number of shares ('000)	3,432,846	3,432,846	7,669,165
NTA (cents per share S$)	0.54	0.54	1.51

4.3 Earnings

For illustrative purposes and assuming the acquisition of the Existing Trikomsel Shares and the ACV Shares as well as the Acquisition had been completed on 1 January 2013, the pro forma financial effects on the earnings per share of the Polaris Group for FY2013 are as follows:

	Before the acquisition of the Existing Trikomsel Shares and the ACV Sale Shares, and the Acquisition	**After the acquisition of the Existing Trikomsel Shares and the ACV Sale Shares, but before the Acquisition**	**After the acquisition of the Existing Trikomsel Shares and the ACV Sale Shares, and the Acquisition**

Net profit attributable to shareholders after tax (S$'000)	796	13,572	20,286
Number of shares ('000)	3,031,511	3,031,511	7,267,829
Earnings (cents per share S$)	0.026	0.448	0.279

4.4 Share Capital

The effects on the share capital of the Company are as follows:

	Before the Acquisition as at the date of this announcement	**After the Acquisition**
Number of shares ('000)	12,816,851	17,053,170
Share capital (S$'000)	305,602	403,037

4.5 Shareholding structure

The effect of the Acquisition on the shareholding structure of the Company are as follows:

	Before the Acquisition as at the date of this announcement				**After the Acquisition**			
	Direct Interest		**Deemed Interest**		**Direct Interest**		**Deemed Interest**	
	No. of Shares	**%(1)**	**No. of Shares**	**%(1)**	**No. of Shares**	**%(2)**	**No. of Shares**	**%(2)**
Directors								
Tan Chung Yaw, Richard	-	-	-	-	-	-	-	-
Ang Chuan Hui, Peter	-	-	-	-	-	-	-	-
Sugiono Wiyono	326,003,652	2.54	10,858,001,652	84.72(3)	326,003,652	1.91	10,858,001,652	63.67(3)
Sugialam Juliana Julianti	-	-	-	-	-	-	-	-
Samudro Ong Kok Wah	70,000,000	0.55	-	-	70,000,000	0.41	-	-
Substantial Shareholders (who are not Directors)								
PT SL Trio	2,536,262,522	19.79	-	-	2,536,262,522	14.87	-	-
Standard Chartered Private Equity Limited	-	-	-	-	4,236,318,535	24.84	-	-

Tres Maria Capital Ltd.	8,321,739,130	64.93	-	-	8,321,739,130	48.80	-	-
Public Shareholders	1,562,845,979	12.19	-	-	1,562,845,979	9.16	-	-

Notes:

(1) Based on 12,816,851,283 issued Shares excluding treasury shares as at the date of this announcement

(2) Based on 17,053,169,818 issued Shares excluding treasury shares after the Acquisition

(3) Sugiono Wiyono Sugialam is deemed to be interested in the Shares held by Tres Maria Capital Ltd. by virtue of his 100% shareholding in Tres Maria Capital Ltd. and is deemed to be interested in the Shares held by PT SL Trio by virtue of his majority shareholding in PT SL Trio 775,000,000 Shares are registered in the name of HSBC (Nominees) Pte. Ltd. and 1,025,000,000 Shares are registered in the name of DBSN Service Pte. Ltd.

The number of issued shares excluding treasury shares held in public hands will be 9.16% after the Acquisition. As such, the Company will not meet the requirement for a minimum public float of 10% under Rule 723 of the Catalist Rules. The Company will engage its controlling shareholder, Sugiono Wiyono Sugialam, in relation to the restoration of its public float either through the sale of his direct interest or procuring the sale of his indirect interest, or through a placement of new shares.

5. EXTRAORDINARY GENERAL MEETING

The circular to shareholders setting out information on the Acquisition together with a notice of the EGM to be convened will be despatched to shareholders in due course.

6. ADDITIONAL LISTING APPLICATION

The Company will be submitting an application to the Sponsor for the listing and quotation of the Consideration Shares on Catalist. The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of the Consideration has been obtained from the SGX-ST and/or the Sponsor (as the case may be).

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors or shareholders of the Company (other than in their capacity as directors or shareholders of the Company) has any interest, direct or indirect, in the Acquisition.

8. DOCUMENTS FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours at the registered office of the Company at 81 Ubi Avenue 4, #03-11 UB. One, Singapore 408830 for a period commencing three (3) months from the date of this announcement.

9. DIRECTORS' 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 Acquisition, 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 the 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 the announcement in its proper form and context.

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

6 August 2014

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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. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor had not independently verified the contents 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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