

POLARIS LTD.

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

ANNOUNCEMENT BY INDONESIAN LISTED ASSOCIATED COMPANY

The Board of Directors (the “**Board**”) of Polaris Ltd. (the “**Company**”) refers to the Company’s announcements dated 13 October 2015, 23 October 2015, 26 October 2015, 30 October 2015, 3 November 2015, 6 November 2015, 9 November 2015, 4 December 2015, 28 December 2015, 5 January 2016, 8 January 2016, 13 January 2016, 18 January 2016, 12 February 2016, 17 February 2016, 30 March 2016, 19 April 2016, 17 June 2016, 30 September 2016, 12 May 2017, 16 May 2017 and 20 June 2017 (the “**Announcements**”). Unless otherwise defined, capitalised terms herein shall have the meaning ascribed to them in the Announcements.

First, further to the Announcements, the Company wishes to update its shareholders that its associated company, PT Trikonsel Oke Tbk. (“**Trikonsel**”) had on 4 April 2017 made an announcement on the Indonesian Stock Exchange (the “**IDX**”) regarding the issuance of new shares pursuant to the Mandatory Convertible Bonds (as defined therein) (the “**IDX Announcement**”) which increased the number of shares in the capital of Trikonsel from 4,761,500,000 to 5,704,900,000. As the Company holds 2,136,744,500 shares in Trikonsel, the issuance of new shares pursuant to the Mandatory Convertible Bonds has had a dilutive impact to the Company’s shareholding in Trikonsel from 44.88% to 37.45% (the “**Initial Dilution**”). A copy of the IDX Announcement which has been made aware to the Company on 3 August 2017 is attached hereto.

The Initial Dilution has no material impact on the Company’s audited financial statements for the financial years ended 31 December 2015 and 31 December 2016 as the Company has accounted for the full impairment of the investment.

Secondly, Trikonsel, through its wholly-owned subsidiary, Trikonsel Pte. Ltd., has also on 8 August 2017 announced on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) the resolutions passed by its shareholders at the Extraordinary General Meeting of Shareholders held on 22 June 2017 (the “**Resolutions**”). Pursuant to the Resolutions, Trikonsel’s shareholders have approved for, among others, the issuance of new shares to its creditors to fulfill some of its debt obligations and to secure an initial capital contribution (the “**Proposed Share Issuance**”) with calculations and information pertinent to the new shares capital provided in the information memorandum (the “**Information Memorandum**”). As reflected on page 54 and 55 of the Information Memorandum, the Proposed Share Issuance would increase the number of shares in the capital of Trikonsel from 5,704,900,000 to 26,007,494,665. As the Company holds 2,136,744,500 shares in Trikonsel, the Proposed Share Issuance would have significant dilutive impact to the Company’s shareholding in Trikonsel from 37.45% to 8.22% when new shares are issued and process is completed.

The completion of a subsequent conditional capital contribution into Trikomsel of USD10 million (US Dollar Ten Million) (the “**Subsequent Capital Contribution**”), to be raised by Trikomsel as stated on page 36-37 of the Information Memorandum, would further increase the number of shares in the capital of Trikomsel from 26,007,494,665 to 28,513,256,779 and further dilute the Company’s shareholding in Trikomsel to 7.49%. A copy of the Information Memorandum as announced by the Company on 16 May 2017 is re-attached hereto.

Thirdly, Trikomsel had on 20 June 2017 announced on the Indonesian Stock Exchange a supplementary note to the Information Memorandum (the “**Supplementary Note**”) stating, among others, the proposal on a mandatory share issuance (the “**Mandatory Proposal**”). Pursuant to the Mandatory Proposal, Trikomsel may issue up to 6,897,317,622 new shares for Trikomsel’s business continuity, increase in Trikomsel’s cash flow and working capital as well as increase in financial position and liquidity. Full utilization of the Mandatory Proposal would further dilute the Company’s shareholding in Trikomsel to 6.03% if the Company chooses not to participate in the shares issuance exercise. A proportional dilution will happen towards the Company’s share if the Company choose to participate part of the new shares issuance. A copy of the Supplementary Note which has been made known to the Company on 8 August 2017 in Bahasa Indonesia but announced by Trikomsel on 20 June 2017 at the IDX is attached hereto.

The Information Memorandum and Supplementary Note have been circulated to Trikomsel shareholders through extraordinary general shareholders meeting conducted on 22 June 2017 (the “**Trikomsel EGM**”) as part of the approval process. The transactions proposed as per the Information Memorandum and Supplementary Note have been approved by the shareholders at the Trikomsel EGM. The Company voted in favor of all resolutions proposed by way of proxy.

Issuance of the new shares as reflected on the Information Memorandum and Supplementary Note are to be done by way of non pre-emptive scheme due to debt to equity conversion scheme approved by the Indonesian Court on 30 September 2016 and was announced by the Company at the SGX-ST on the same date. The shares that have been approved for issuance pursuant to the Mandatory Proposal may be issued as deemed necessary by Trikomsel management for on-going concern of Trikomsel in the future.

A summary of the Company's shareholding dilution in Trikomsel is reflected in the table below:

Development Stage	No. of shares owned by the Company	Total No. of Shares of Trikomsel	Shareholding Percentage	Remarks
Prior to the issuance of new shares pursuant to the Mandatory Convertible Bonds	2,136,744,500	4,761,500,000	44.88%	
Post-issuance of new shares pursuant to the Mandatory Convertible Bonds	2,136,744,500	5,704,900,000	37.45%	Based on IDX Announcement dated 4 April 2017
Post-Proposed Share Issuance	2,136,744,500	26,007,494,665	8.22% ^(a)	Based on Information Memorandum and Resolutions
Post-Subsequent Capital Contribution	2,136,744,500	28,513,256,779	7.49% ^(b)	Based on Information Memorandum and Resolutions
Post-Mandatory Proposal	2,136,744,500	35,410,574,401	6.03% ^(c)	Based on Supplementary Note dated 20 June 2017

Notes

- (a) The dilution to 8.22% as provided on page 54-55 of the Information Memorandum has not happened yet and will happen once the conversion process completes
- (b) Further dilution to 7.49% as explained on page 36-37 of the Information Memorandum will only happen after the Subsequent Capital Contribution, totaling USD10 million and assuming that the Company does not participate in any capital call of Trikomsel
- (c) Subsequent dilution to 6.03% will happen if the Company chooses not to participate in the Post Mandatory Proposal scheme as elaborated in the Supplementary Note. A proportional dilution of its share will happen in line with the shares issuance exercise participation at the point of time

The Company will make further announcement on any material development as and when appropriate. The Company will also continue to keep its shareholders informed of any further material developments in Trikomsel.

Copies of the Announcements are available on the SGX-ST website at www.sgx.com.



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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

10 August 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 Catalist. 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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