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POLARIS LTD.

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

INVESTMENT IN X-MINI BY WHOLLY-OWNED SUBSIDIARY

The Board of Directors (the “**Board**”) of Polaris Ltd (the “**Company**”) is pleased to announce that its wholly-owned subsidiary, Polaris Device Pte. Ltd. (“**PDPL**”) has entered into an unsecured loan arrangement and subscription and shareholders agreement (the “**Agreement**”) with XMI Pte. Ltd. (“**XMI**”) and the founders of XMI, namely Lee Tze-Yen Ryan, Lee Tze-Wen Reuben and Lim Eng Hock (the “**Founders**”) to invest in XMI.

PDPL will invest in XMI an initial 30% equity interest (comprising 300,000 ordinary shares) (the “**Subscription Shares**”) through the grant of an unsecured USD loan (the “**Loan**”) of a total principal amount of USD1,500,000/- (equivalent SGD2,021,250/-, USD1: S\$1.3475) to XMI on the terms and subject to the conditions of the Agreement.

PDPL shall disburse the Loan in a single amount on completion date. The consideration for the Subscription Shares shall be the grant of the Loan by PDPL under the terms of the Agreement and SGD1, the receipt and sufficiency of which is acknowledged by XMI and the Founders.

PDPL may exercise the call option to increase its equity interest to 45% (comprising 272,728 (15%) new ordinary shares) in XMI exercisable in whole or in part and at any time during the exercise period at the exercise price as stated in the Agreement (the “**Investment**”). Any unexercised portion of the call option shall automatically lapse and cease to be exercisable upon the expiry of the exercise period.

The consideration will be satisfied wholly in cash and will be funded from PDPL’s internal resources. The Investment is not expected to have a material effect on the net tangible assets per share or earnings per share of the Company for the financial year ending 31 December 2015.

The Board considers that the Agreement, in line with the Group’s business strategy and expansion plan, will offer a good opportunity to the Group to broaden its business and revenue base in the future. The Board also considers the transaction contemplated by the Agreement is beneficial to the Company and its shareholders as a whole.

About XMI and the Award Winning X-mini™

Founded in Singapore in 2006, XMI is a technology-driven company focused on bringing the most innovative multimedia products to meet the dynamic demands of a global market. XMI currently has distribution networks in over 80 countries spanning North America, Latin America, Europe, Middle East, Asia Pacific and Australia. Visit www.x-mini.com for latest product updates.

XMI’s main objective is to create multimedia devices that precede major trends in consumer mobile technology. With unique products of superior functionality, mass-market appeal and uncompromising quality, XMI aims to push the boundaries of technology with innovative products to meet tomorrow’s mobile lifestyle needs.

Multiple winner of the prestigious Red Dot Design and iF Design Awards, X-mini™ is a pioneer and leader in the world of portable audio technology, striking the perfect balance of portability and uncompromising sound quality. Conceptualized, developed and commercialized in-house in Singapore, X-mini™ has continually set new industry standards in the field of portable sound.

Directors' and Controlling Shareholders' Interests

None of the Directors (other than in his capacity as a Director or shareholder of the Company, as the case may be) and controlling shareholders of the Company has any interest, direct or indirect, in the above transaction.

By Order of the Board

Ang Chuan Hui, Peter
Executive Director & CEO

24 April 2015

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 Company's Sponsor has 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 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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