

# POLARIS LTD.

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

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## PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE

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### 1. INTRODUCTION

- 1.1. The board of directors (the “**Board**” or the “**Directors**”) of Polaris Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”), wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue (the “**Rights Issue**”) of up to 3,000,000,000 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.020 (the “**Issue Price**”) for each Rights Share, on the basis of one (1) Rights Share for every six (6) existing ordinary shares in the capital of the Company (the “**Shares**”) held by the shareholders of the Company (the “**Shareholders**”) as at a time and date to be determined by the Directors for the purpose of determining the Shareholders’ entitlements under the Rights Issue (the “**Books Closure Date**”), fractional entitlements to be disregarded.
- 1.2. The Rights Shares will be issued pursuant to the authority granted by the Shareholders by way of an ordinary resolution at an annual general meeting of the Company held on 30 April 2015 for the issue of Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares) in the capital of the Company on a pro rata basis.

### 2. PRINCIPAL TERMS OF THE RIGHTS ISSUE

#### 2.1 Terms of the Rights Issue

- (a) The Company is proposing to undertake the Rights Issue, at the Issue Price for each Rights Share on a renounceable basis to the Shareholders whose registered addresses with the Company or The Central Depository (Pte) Limited (the “**CDP**”), as the case may be, are in Singapore as at the Books Closure Date, or who have, at least three (3) Market Days<sup>1</sup> prior to the Books Closure Date, provided to the Company or the CDP, as the case may be, addresses in Singapore for the service of notices and documents (the “**Entitled Shareholders**”).
- (b) The Rights Shares are offered on the basis of one (1) Rights Share for every six (6) existing Shares held as at the Books Closure Date.
- (c) Fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholder’s provisional allotments of Rights Shares and will, together with

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<sup>1</sup> “**Market Day**” means a day on which SGX-ST is open for trading in securities.

the provisional allotment of Rights Shares which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company.

- (d) The Entitled Shareholders will be at liberty to accept (in full or in part), decline, or otherwise renounce or trade (during the provisional allotment trading period prescribed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”)) their provisional allotment of the Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue (the “**Excess Rights Shares**”).
- (e) In the allotment of Excess Rights Shares, preference will be given to Entitled Shareholders in satisfaction of their application for Excess Rights Shares, if any, provided that where there are insufficient Excess Rights Shares to allot to each application, the Company shall allot the Excess Rights Shares to Entitled Shareholders such that preference will be given to the rounding of odd lots, and the Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority. The Company will also not make any allotment and issue of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.
- (f) The Rights Shares are payable in full upon acceptance and application by Entitled Shareholders. The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares. For this purpose, a “**record date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.
- (g) The Rights Issue is renounceable and Entitled Shareholders who do not wish to subscribe for the Rights Shares may sell their provisional entitlements (the “**Rights**”) during the “nil-paid” Rights trading period.

## 2.2 Size of the Rights Issue

As at the date of this Announcement, the existing issued and paid-up share capital of the Company (excluding treasury shares) comprises 17,053,169,818 Shares (the “**Existing Share Capital**”). As at the date of this announcement, the Company does not have any outstanding convertible securities.

Based on the Existing Share Capital and assuming that (i) no new Shares are issued on or prior to the Books Closure Date; and (ii) all Entitled Shareholders accept their Rights

entitlements in full, 3,000,000,000 Rights Shares will be issued pursuant to the Rights Issue (the “**Maximum Subscription Scenario**”).

### 2.3 Issue Price

The Issue Price of S\$0.020 for each Right Share is on par with the closing price of S\$0.020 per Share on 30 June 2015.

### 2.4 Option to Scale Down

Depending on the level of subscription for the Rights Shares, the Company will, if necessary, and upon the approval of the SGX-ST, scale down the subscription and/or excess applications for the Rights Shares by any of the substantial Shareholders (if such substantial Shareholder chooses to subscribe for its *pro rata* entitlement of Rights Shares and/or apply for Excess Rights Shares) to avoid placing the relevant substantial Shareholder and parties acting in concert with it (as defined in the Singapore Code on Take-overs and Mergers (the “**Code**”)) in the position of incurring a mandatory general offer obligation under the Code as a result of other Shareholders not taking up their Rights Shares entitlements fully.

### 2.5 Further Information

The terms and conditions of the Rights Issue are subject to such changes as the Directors may in their absolute discretion deem fit. The final terms and conditions of the Rights Issue will be contained in the circular and offer information statement (the “**Offer Information Statement**”) to be despatched by the Company to Entitled Shareholders in due course.

## 3. **CONDITIONS TO THE RIGHTS ISSUE**

### 3.1 The Rights Issue is subject to, inter alia, the following:

- (a) the receipt of the listing and quotation notice from the SGX-ST for the dealing in, listing and quotation of the Rights Shares on the Catalist Board of the SGX-ST (“**Catalist**”) (and such approval not having been withdrawn or revoked on or prior to the Books Closure Date) and if such approval is granted subject to conditions, such conditions being acceptable to the Company; and
- (b) the lodgement of the Offer Information Statement, together with all other accompanying documents (if applicable), with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore (the “**MAS**”).

### 3.2 Stamford Corporate Services Pte. Ltd., acting as Continuing Sponsor to, and on behalf of the Company, will be making an application to the SGX-ST for the permission to deal in and for the listing of and quotation for the Rights Shares on the Catalist.

- 3.3 The Offer Information Statement will also be lodged with the SGX-ST, acting as agent on behalf of the MAS and despatched to Entitled Shareholders in due course after, inter alia, receipt of the listing and quotation notice from the SGX-ST.
- 3.4 Appropriate announcements in relation to the above application, lodgement and despatch will be made in due course.

**4. RATIONALE FOR THE RIGHTS ISSUE AND USE OF PROCEEDS**

- 4.1 The Company is undertaking the present Rights Issue to strengthen the financial position of the Group, and/or to raise funds to capitalise on further acquisition opportunities to diversify its operations in the telecommunications industry. The Rights Issue will allow the Group to be less reliant on external sources of funding, thereby potentially incurring fewer expenses related to external funding, for future expansion both in and outside Singapore.
- 4.2 The net proceeds arising from the Rights Issue, after deducting estimated expenses of approximately S\$0.20 million, is approximately S\$59.8 million in the event of the Maximum Subscription Scenario.
- 4.3 The Company believes that the Issue Price of S\$0.020 for each Rights Share is attractive, and in the reasonable opinion of the Directors, there is no minimum amount that needs to be raised from the Rights Issue taking into consideration the intended use of proceeds.
- 4.4 After taking into consideration the cost of engaging an underwriter and having to pay commission in relation to the underwriting, the Directors decided that it is not feasible and practicable for the Rights Issue to be underwritten.
- 4.5 The intended use of the net proceeds (in the following order of priority) are set out below:

Use of Proceeds	Percentage allocation
(a) To fund general corporate activities including, but not limited to, acquisitions, joint ventures and/or for strategic alliances	100%
(b) General working capital	
<b>Net proceeds arising from the Rights Issue</b>	<b>100%</b>

- 4.6 Pending deployment, the net proceeds from the Rights Issue may be deposited with banks and/or financial institutions, or used for any other purpose on a short-term basis as the Directors may, in their absolute discretion, deem fit.

4.7 The Company will make periodic announcements on the use of proceeds from the Rights Issue as and when the funds are materially disbursed, as well as provide status reports on the use of proceeds from the Rights Issue in the Company's annual reports and results announcement until such time as the proceeds have been fully utilised.

4.8 The Directors are of the reasonable opinion that:

- (i) after taking into consideration the present bank facilities, the working capital of the Group is sufficient to meet its present requirements; and
- (ii) after taking into consideration the present bank facilities and the net proceeds of the Rights Issue, the working capital available to the Group is sufficient to meet its present requirements.

## 5. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

### 5.1 Entitled Depositors

Shareholders whose securities accounts with CDP are credited with Shares as at 5.00 p.m. (Singapore time) on the Books Closure Date (the "**Depositors**") will be provisionally allotted Rights Shares on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. (Singapore time) on the Books Closure Date.

To be "**Entitled Depositors**", Depositors must have registered addresses in Singapore with CDP as at the Books Closure Date or if they have registered addresses outside Singapore, they must provide CDP, at 9 North Buona Vista Drive, #1-19/20 The Metropolis, Singapore 138588, with addresses in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) Market Days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares.

### 5.2 Entitled Scripholders

Shareholders whose Shares are not registered in the name of CDP but whose names appear in the Register of Members of the Company with registered addresses in Singapore as at 5.00 p.m. (Singapore time) on the Books Closure Date (the "**Scripholders**") will be provisionally allotted Rights Shares on the basis of the number of Shares held by them as stated in the Register of Members of the Company as at 5.00 p.m. (Singapore time) on the Books Closure Date.

To be "**Entitled Scripholders**", Scripholders must have registered addresses in Singapore with the Company as at the Books Closure Date or if they have registered addresses outside Singapore, they must provide the share registrar, M&C Services Private Limited (the "**Share Registrar**"), at 112 Robinson Road, #05-01, Singapore 068902 with addresses in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) Market Days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares.

Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, must be received no later than 5.00 p.m. on the Books Closure Date by the Share Registrar, and will be registered to determine the transferee's provisional allotments of Rights Shares entitlements.

### 5.3 Central Provident Fund Investment Scheme

Persons who bought their Shares previously using their Central Provident Fund account savings (the “**CPF Funds**”) may only use their CPF Funds for the payment of the Issue Price to accept their provisional allotments of Rights Shares and (if applicable) apply for Rights Shares , subject to the applicable rules and regulations of the Central Provident Fund. Such persons who wish to accept their provisional allotments of Rights Shares will need to instruct their respective approved banks where they hold their CPF Investment Accounts, to accept their provisional allotment of Rights Shares and (if applicable) apply for the Excess Rights Shares on their behalf in accordance with the Offer Information Statement. CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.

#### 5.4 Foreign Shareholders

For practical reasons and in order to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Rights Shares will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, by 5.00 p.m. (Singapore time) on the date being three (3) Market Days prior to the Books Closure Date, provided to the Share Registrar or the CDP, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”) and the Offer Information Statement and its accompanying documents will not be despatched to the Foreign Shareholders. Accordingly, no provisional allotments of the Rights Shares will be made to the Foreign Shareholders and no purported acceptance thereof or application therefor will be valid.

If it is practicable to do so, the Company may, at its absolute discretion, arrange for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotment of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto. The net proceeds therefrom will be dealt with in accordance with the terms set out in the Offer Information Statement to be issued by the Company for the Rights Issue.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, such net proceeds will be retained for the sole benefit of the Company or dealt with as the Directors may, in their absolute discretion, deem fit in the interest of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar or CDP in connection therewith.

Where such provisional allotments of Rights Shares are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar or CDP in respect of such sales or proceeds thereof, of such provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be allotted and issued to satisfy excess applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar or CDP in connection therewith.

## **6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save as disclosed in this announcement, none of the Directors and Substantial Shareholders has any interests, direct or indirect, in the Rights Issue, other than through each of their respective shareholding interests, direct and/or indirect, in the Company.

## **7. 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 Rights Issue, the Group and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this 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 this announcement in its proper form and context.

BY ORDER OF THE BOARD

**POLARIS LTD.**

Ang Chuan Hui, Peter  
Executive Director and Chief Executive Officer  
30 June 2015

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Continuing Sponsor, Stamford Corporate Services Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the SGX-ST. The 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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