CIRCULAR DATED 29 SEPTEMBER 2017

THIS CIRCULAR TO SHAREHOLDERS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Circular is issued by Pollux Properties Ltd. (the "Company", together with its subsidiaries, the "Group"). If you are in any doubt about the contents of this Circular or the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or any other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of the Company (the "**Shares**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s) which are not deposited with the CDP, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

Capitalised terms appearing on the cover of this Circular have the same meanings as defined herein.

The Sponsor, on behalf of the Company, has submitted an additional listing application to the SGX-ST for the listing of and quotation for the Consideration Shares on Catalist. The listing and quotation notice, if issued by the SGX-ST, is not to be taken as an indication of the merits of the Proposed Acquisition, the Group, the Shares, the PAI Group, or the Consideration Shares (all as defined herein). An announcement will be made in due course to notify Shareholders upon receipt of the listing and quotation notice.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Advisors Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this Circular. This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Ms. Lee Khai Yinn, at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542, telephone (65) 6532 3829. SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.

POLLUX PROPERTIES

POLLUX PROPERTIES LTD.

(Company Registration Number: 199904729G)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to

(1) THE PROPOSED ACQUISITION OF 100% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF POLLUX ALPHA INVESTMENTS LTD AS A MAJOR TRANSACTION AND AN INTERESTED PERSON TRANSACTION; AND

(2) THE PROPOSED ALLOTMENT AND ISSUANCE OF 2,132,352,941 NEW SHARES IN THE CAPITAL OF THE COMPANY ("CONSIDERATION SHARES") AT THE ISSUE PRICE OF S$0.068 FOR EACH CONSIDERATION SHARE TO THE VENDOR PURSUANT TO THE PROPOSED ACQUISITION.

Independent Financial Adviser to the Independent Directors in respect of the Proposed Acquisition

PROVENANCECAPITAL

PROVENANCE CAPITAL PTE. LTD.

(Company Registration No: 200309056E)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	21 October 2017 2.00 p.m.
Date and time of Extraordinary General Meeting	:	23 October 2017 at 2.00 p.m.
Place of Extraordinary General Meeting	:	Mandarin Meeting Suite 802, Level 8 Main Tower, Mandarin Orchard Singapore, 333 Orchard Road, Singapore 238867

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For the purpose of this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

"**Adjusted PAT**"	:	Has the meaning ascribed to it in Section 2.3 of this Circular
"**Adjusted PBT**"	:	Has the meaning ascribed to it in Section 2.3 of this Circular
"**Associate**"	:	(a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (a) his immediate family; (b) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (c) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more. (b) In relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"**Audit Committee**"	:	The audit committee of the Company as at the date of this Circular, comprising Mr. James Kho Chung Wah, Mr. Bambang Widaryatmo, Mr. Low Chai Chong and Mr. Timur Pradopo
"**Board**" or "**Directors**"	:	The directors of the Company as at the date of this Circular
"**Business Day**"	:	A day (other than a Saturday, Sunday or public holiday in Singapore) on which commercial banks are generally open for business in Singapore
"**BVI**"	:	British Virgin Islands
"**Catalist**"	:	The Catalist Board of the SGX-ST
"**Catalist Rules**"	:	Section B: Rules of Catalist of the Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
"**CBD**"	:	Central Business District

DEFINITIONS

“**CDP**”	:	The Central Depository (Pte) Limited
“**Circular**”	:	This circular to Shareholders dated 29 September 2017
“**Companies Act**”	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
“**Company**”	:	Pollux Properties Ltd.
“**Completion**”	:	Has the meaning ascribed to it in Section 1.2 of this Circular
“**Completion Date**”	:	Has the meaning ascribed to it in Section 3.2.2 of this Circular
“**Compliance Placement**”	:	Has the meaning ascribed to it in Section 11 of this Circular
“**Consideration**”	:	Has the meaning ascribed to it in Section 3.1 of this Circular
“**Consideration Shares**”	:	Has the meaning ascribed to it in Section 3.1 of this Circular
“**Constitution**”	:	The memorandum and articles of association of the Company currently in force
“**Controlling Shareholder**”	:	A person who (a) holds directly or indirectly 15% or more of the nominal amount of all voting Shares in the Company (unless the SGX-ST determines that such a person is not a controlling shareholder of the Company); or (b) in fact exercises control over the Company
“**CPF**”	:	The Central Provident Fund
“**Desktop Valuation Letter**”	:	The desktop valuation letter issued by the Independent Valuer to value the development property of the Group as at 31 March 2017
“**EGM**”	:	The extraordinary general meeting of Shareholders to be held on 23 October 2017, notice of which is set out on page N-1 of this Circular
“**Enlarged Group**”	:	The group of companies comprising the Group and the PAI Group following Completion
“**EPS**”	:	Earnings per Share

"**Executive Officers**"	:	The management team (excluding directors) of an issuer, including its chief executive officer, chief financial officer, chief operating officer and any other individual, regardless of title, who (a) performs or has the capacity to perform any functions or responsibility equivalent to that of the foregoing persons or (b) is responsible for ensuring that the issuer complies with its obligations under the Catalist Rules
"**FV Adjustment**"	:	Has the meaning ascribed to it in Section 2.3 of this Circular
"**FY**"	:	Financial year ended, or ending, as the case may be, on 31 March
"**Group**"	:	The Company and its subsidiaries
"**IFA**" or "**Independent Financial Adviser**"	:	Provenance Capital Pte. Ltd., the independent financial adviser to the Independent Directors in relation to the Proposed Acquisition
"**IFA Letter**"	:	The letter from the IFA to the Independent Directors, as set out in Appendix B of this Circular
"**Independent Auditors**" and each an "**Independent Auditor**"	:	Cypress Singapore PAC and Ernst & Young LLP
"**Independent Directors**"	:	The Directors who are considered to be independent for the purpose of making the recommendation to Shareholders in respect of the Proposed Acquisition, being Mr. Tan Kay Kiang, Mr. Low Chai Chong, Mr. Bambang Widaryatmo, Mr. James Kho Chung Wah, and Mr. Timur Pradopo
"**Independent Valuer**" and "**Independent Market Researcher**"	:	Cushman & Wakefield VHS Pte Ltd
"**Issue Price**"	:	Has the meaning ascribed to it in Section 3.1 of this Circular
"**Latest Practicable Date**"	:	15 September 2017, being the latest practicable date prior to the printing of this Circular
"**Market Report**"	:	The report dated 7 September 2017 in relation to the study of the Singapore office and residential market overview conducted by the Independent Market Researcher
"**NAV**"	:	Net asset value
"**Notice of EGM**"	:	The notice of extraordinary general meeting as set out on page N-1 of this Circular

"NTA"	:	Net tangible assets
"PAI"	:	Pollux Alpha Investments Ltd
"PAI Group"	:	PAI and PAI Subsidiaries
"PAI Properties"	:	Has the meaning ascribed to it in Section 2.2 of this Circular
"PAI Subsidiaries"	:	Has the meaning ascribed to it in Section 2.2 of this Circular
"PAT"	:	Net profit after tax
"PBT"	:	Profit before tax
"Period Under Review"	:	The period comprising FY2015, FY2016 and FY2017
"Proposed Acquisition"	:	Has the meaning ascribed to it in Section 1.1 of this Circular
"Proxy Form"	:	The proxy form attached to this Circular
"Sale Shares"	:	Has the meaning ascribed to it in Section 1.1 of this Circular
"Securities Account"	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
"Securities and Futures Act"	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
"Set-off"	:	Has the meaning ascribed to it in Section 3.1 of this Circular
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shareholders"	:	Registered holders of Shares in the register of members of the Company, except that where the registered holder is CDP, the term "Shareholders" shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
"Shares"	:	Ordinary shares in the share capital of the Company
"SPA"	:	Has the meaning ascribed to it in Section 1.2 of this Circular
"SPA Announcement"	:	Has the meaning ascribed to it in Section 1.2 of this Circular
"Sponsor"	:	SAC Advisors Private Limited

"**Substantial Shareholder**"	:	A person who holds directly and/or indirectly 5% or more of the total issued Shares (excluding treasury shares)
"**Term Sheet**"	:	Has the meaning ascribed to it in Section 1.1 of this Circular
"**URA**"	:	Urban Redevelopment Authority of Singapore
"**Valuation Certificates**"	:	The valuation certificates dated 10 August 2017 issued by the Independent Valuer in respect of the PAI Properties as at 30 June 2017, as set out in Appendix C of this Circular
"**Valuation Reports**"	:	The full set of valuation reports dated 10 August 2017 issued by the Independent Valuer in respect of the PAI Properties as at 30 June 2017
"**Vendor**"	:	Pollux Holdings Pte. Ltd.
"**Vendor Sale**"	:	Has the meaning ascribed to it in Section 11 of this Circular
"**VWAP**"	:	Volume weighted average price
"**Waiver**"	:	Has the meaning ascribed to it in Section 6.2.1 of this Circular
"**%**"	:	Percentage or per centum
"**S$**" and "**cents**"	:	Singapore dollars and cents, respectively
"**US$**"	:	United States dollars

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the same meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The term "**subsidiary**" shall have the meaning ascribed to it in Section 5 of the Companies Act.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and *vice versa*.

References to persons shall, where applicable, include corporations.

The words "**written**" and "**in writing**" include any means of visible reproduction.

Any reference in this Circular to any statutory provision or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the Securities and Futures Act or the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Securities and Futures Act or the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in tables included herein between the amounts in the columns of the tables and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date respectively unless otherwise stated.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

All statements contained in this Circular, statements made in press releases and oral statements that may be made by the Company, PAI, and the Vendor, that are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by words that are biased or by forward-looking terms such as "anticipate", "believe", "could", "estimate", "expect", "forecast", "if", "intend", "may", "plan", "possible", "probable", "project", "will", "would" and "should" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Company, the Group, the PAI Group and/or the Enlarged Group's expected financial position, business strategy, plans and prospects are forward-looking statements. These forward-looking statements and other matters discussed in this Circular, including but not limited to:

- revenue and profitability;
- goodwill on acquisition and associated impairment (if any);
- any expected growth;
- any expected industry trends;
- anticipated completion of proposed plans or projects;
- expansion plans; and
- other matters that are not historical facts,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, the Group, the PAI Group and/or the Enlarged Group to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These risks, uncertainties and other factors are discussed in more detail in this Circular, in particular, but not limited to, the risk factors set out in Section 5 of Appendix A of this Circular entitled "Risk Factors".

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Company, the Group, the PAI Group and/or the Enlarged Group to be materially different than expected, expressed or implied by the forward-looking statements in this Circular, press releases and oral statements that may be made by the Company, you are advised not to place undue reliance on those statements which apply only as at the Latest Practicable Date.

None of the Company, the Group, the PAI Group, the Vendor, and their respective directors, officers and employees or any other person represents or warrants to you that the actual future results, performance or achievements of the Company, the Group, the PAI Group and/or the Enlarged Group will be as discussed in those statements. The actual future results, performance or achievements of the Company, the Group, the PAI Group and/or the Enlarged Group may differ materially from those anticipated in these forward-looking statements.

Further, the Company, the Group, the PAI Group, and the Vendor disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any regulatory or supervisory body or agency.

This Circular may include market and industry data and information that have been obtained from, among other things, internal studies and publicly available information such as government statistical and industry reports, and industry publications. Please note that such information is supplied to you for your personal use only. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but the accuracy and completeness of that information is not guaranteed, and may contain other disclaimers in relation to reliance on their contents. There can therefore be no assurance as to the accuracy or completeness of such information. While reasonable steps have been taken to ensure that the information is extracted from their respective sources in their proper form and context, the Company, the Group, the Vendor, the PAI Group, their respective advisers, and their respective related corporations, directors, executives and employees have not independently verified any of the data from third party sources or ascertained the underlying bases or assumptions relied upon therein, nor have the consents of these sources been obtained for the inclusion of such data or information in this Circular.

POLLUX PROPERTIES LTD.

(Company Registration Number: 199904729G)
(Incorporated in the Republic of Singapore)

Directors:

Timur Pradopo (*Non-Executive Chairman and Independent Director*)
Nico Purnomo Po (*Executive Director and Chief Executive Officer*)
Tan Kay Kiang (*Non-Executive Director*)
Low Chai Chong (*Lead Independent Director*)
Bambang Widaryatmo (*Independent Director*)
James Kho Chung Wah (*Independent Director*)
Tan Nan Choon (*Alternate Director to Tan Kay Kiang*)

Registered Office:

391A Orchard Road
#08-07 Ngee Ann City Tower A
Singapore 238873

29 September 2017

To: The Shareholders of Pollux Properties Ltd.

Dear Sir/Madam

THE PROPOSED ACQUISITION OF 100% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF POLLUX ALPHA INVESTMENTS LTD

1. INTRODUCTION

1.1 On 31 July 2017, the Company announced that it had entered into a non-binding term sheet (the "**Term Sheet**") dated 28 July 2017 with the Vendor, with the aim of acquiring the PAI Properties through the acquisition of 100% of the share capital (the "**Sale Shares**") of PAI (the "**Proposed Acquisition**").

1.2 On 8 August 2017, the Company announced that the Company and the Vendor had entered into a conditional sale and purchase agreement (the "**SPA**") in respect of the Proposed Acquisition (the "**SPA Announcement**"), with the salient terms and conditions of the SPA as set out in the SPA Announcement and Section 3 of this Circular.

Pursuant to the SPA, the Vendor shall sell and the Company shall purchase the Sale Shares, free from all encumbrances and together with all rights, interests, benefits and advantages attaching thereto as at completion of the Proposed Acquisition ("**Completion**"). Upon Completion, PAI will become a wholly-owned subsidiary of the Company and the PAI Subsidiaries (which own the PAI Properties) will be wholly-owned indirect subsidiaries of the Company.

1.3 The Proposed Acquisition is an interested person transaction under Chapter 9 of the Catalist Rules which requires the approval of independent Shareholders under Rule 906 of the Catalist Rules. The Proposed Acquisition also constitutes a major transaction under Rule 1014 of the Catalist Rules which requires the approval of Shareholders. Please refer to Sections 5 and 6 of this Circular for more details on the Proposed Acquisition under Chapters 9 and 10 of the Catalist Rules.

1.4 The Vendor falls within the categories of persons covered in Rule 804 of the Catalist Rules and Shareholders' approval in respect of the proposed allotment and issue of the Consideration Shares to the Vendor is therefore required pursuant to Section 161 of the Companies Act and Rule 804 of the Catalist Rules.

1.5 The purpose of this Circular is to provide Shareholders with information relating to the Proposed Acquisition, including the rationale for the Proposed Acquisition, benefits to and the financial effects thereof on the Group arising from the Proposed Acquisition, to seek Shareholders' approval for the resolutions to be proposed at the EGM, as set out in the Notice of EGM.

1.6 Shareholders should note that the resolutions set out in the Notice of EGM are inter-conditional upon each other. Accordingly, in the event that either of the resolutions is not approved, the other resolution will not be passed.

2. INFORMATION ON THE GROUP, THE PAI GROUP AND THE VENDOR

2.1 The Group

The Company is a limited liability company incorporated in Singapore and is listed on the Catalist. The principal activities of the Group are property development and property investment holdings in Singapore. In particular, the Group currently focuses on the development of premium residential and commercial properties in Singapore.

2.2 Information on the PAI Group

PAI is a single-purpose property investment company incorporated in the BVI. As at the Latest Practicable Date, PAI has a total issued and fully paid-up share capital of S$164,000,001 comprising 116,378,088 ordinary shares and is wholly-owned by the Vendor.

PAI holds its investment properties (the "**PAI Properties**") through each of its six (6) wholly-owned subsidiaries (the "**PAI Subsidiaries**"). The PAI Properties comprise commercial and residential properties located in prime locations in Singapore, including the iconic MacDonald House at 40A Orchard Road. The main business activity of the PAI Group is the ownership and the renting of the PAI Properties, and there are no other substantial assets or liabilities or ongoing business activities being carried out. The PAI Group does not have any employees, and outsources its property management and finance functions.

Please refer to Appendix A for further details of the PAI Group and the PAI Properties.

2.3 Financial Information on the Sale Shares

NAV, NTA and Open Market Value

Based on the audited consolidated financial statements of the PAI Group for FY2017, the NAV and the NTA attributable to the Sale Shares are the same as there are no intangible assets and is approximately S$200,955,119. There is no open market value for the Sale Shares as they are not publicly traded.

The Company has commissioned the Independent Valuer to conduct a valuation on the PAI Properties. Based on its analysis, the Independent Valuer accordingly issued Valuation Certificates for each of the PAI Properties on 10 August 2017. The Independent Valuer conducted its valuation in accordance with the Singapore Institute of Surveyors and Valuers' Valuation Standards and Practice Guidelines (2015 Edition) and based on market value as at the valuation date, 30 June 2017. Market value is defined as the estimated amount for which a property should exchange on the date of valuation, between a willing buyer and a willing seller on an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. When taken in aggregate, the market value of the PAI Properties as set out in the Valuation Certificates is S$284,200,000 as at 30 June 2017.

Net Profit

Based on the latest audited consolidated financial statements of the PAI Group for FY2017, the PBT and PAT attributable to the Sale Shares being acquired are S$37,769,584 and S$36,773,887 respectively, of which S$33,542,000 was contributed by the gain from fair value adjustment of investment properties ("**FV Adjustment**"). Currently, the PAI Group adopts revaluation accounting for its investment properties while the Group adopts cost accounting for its investment properties. Post Completion, the PAI Group will adopt cost accounting for its investment properties to be in line with the Group's accounting policy.

If the cost accounting applies for the PAI Properties, the PBT and PAT attributable to the Sale Shares for FY2017 would be S$2,750,049 ("**Adjusted PBT**") and S$1,754,352 ("**Adjusted PAT**") respectively, after excluding the FV Adjustment and including the depreciation charges of S$1,477,535 arising from the adoption of the cost accounting.

2.4 Information on the Vendor

The Vendor is an investment holding company incorporated in Singapore and is the registered and beneficial owner of 100% of the issued and paid-up share capital of PAI.

The Vendor is also a Controlling Shareholder of the Company, holding approximately 60.40% of its issued share capital. Dr. Nico Purnomo Po, the Chief Executive Officer, Director and Controlling Shareholder of the Company, is the sole shareholder and director of the Vendor.

3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

3.1 Consideration

The consideration for the Proposed Acquisition is S$200,938,367 (the "**Consideration**"), which shall be satisfied by the Company in the following manner:

(a) the setting-off of S$55,938,367, being the amount due from the Vendor to PAI as at 31 March 2017 (the "**Set-off**"); and

(b) the allotment and issue of 2,132,352,941 new Shares (the "**Consideration Shares**") to the Vendor in respect of the balance amount after applying the Set-off, at an issue price of 6.8 cents per Consideration Share (the "**Issue Price**").

The Issue Price represents a 33.3% premium over the VWAP of S$0.051 on 31 July 2017, being the last full market day when the Shares were transacted on the SGX-ST prior to the execution of the SPA.

The Consideration Shares, when allotted and issued to the Vendor, shall be fully paid, free from all claims and encumbrances and shall rank *pari passu* in all respects with the Shares as at the date of issue of the Consideration Shares.

The Consideration was arrived at on a willing-buyer willing-seller basis, after arm's length negotiations and taking into consideration the net asset value of the PAI Group of S$200,955,119 based on the PAI Group's audited financial statements for FY2017 and after taking into account a receivable of S$55,938,367 due from the Vendor to PAI as at 31 March 2017.

3.2 Salient Terms of the SPA

The other salient terms of the SPA are as follows:

3.2.1 Conditions Precedent

The obligations of the parties relating to the Proposed Acquisition will be subject to the fulfilment of the following conditions precedent set out in the SPA:

(a) the Company obtaining the approval of Shareholders at an EGM to be convened to approve *inter alia* the purchase of the Sale Shares and the issue and allotment of the Consideration Shares, which purchase is an "interested person transaction" and a "major transaction" under Chapters 9 and 10 of the Catalist Rules respectively;

(b) the issuance by the SGX-ST of a listing and quotation notice of the Consideration Shares on the Catalist;

(c) all consents, approvals, licences, permits, waivers and exemptions necessary (whether governmental, regulatory, corporate, contractual or otherwise) for the consummation of the transactions contemplated under the SPA, including but not limited to, the registration of the Company as holder of the Sale Shares; and having been obtained, such consents and approvals being in full force and effect and all conditions applicable to any such consents and approvals having been and are being complied with;

(d) the Company being satisfied in its absolute discretion with the results of the legal and financial due diligence investigations on the PAI Group and the PAI Properties;

(e) all consents required by any bank with whom the PAI Group companies have existing facilities that requires the bank's consent for a change of ownership, control or transfer of any part of PAI's issued capital having been obtained and such consents and approvals remain in full force and effect;

(f) an independent financial adviser to the independent directors of the Company (for the purposes of the Proposed Acquisition) is appointed by the Company and such independent financial adviser issues a report confirming that it is of the opinion that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders in compliance with Chapter 9 of the Catalist Rules;

(g) the issue of the valuation report by which the valuation of the PAI Properties as of 30 June 2017 is stated to be not less than S$284,000,000;

(h) the delivery by the Vendor of a duly executed moratorium undertaking:

 (1) not to dispose of any part of its shareholding interests in the Company for a period of twelve (12) months commencing from the date of listing of the Consideration Shares on the Catalist (such shareholdings being adjusted for any bonus issue, subdivision or consolidation); and

 (2) not to dispose of more than 50% of its shareholding interests in the Company for the subsequent six (6) months (such shareholdings being adjusted for any bonus issue, subdivision or consolidation);

(i) the delivery by the Vendor of a moratorium undertaking letter duly executed by Dr. Nico Purnomo Po, undertaking not to dispose of any part of his shareholding interests in the Vendor for a period of eighteen (18) months commencing from the date of listing of the Consideration Shares on the Catalist (such shareholdings being adjusted for any bonus issue, subdivision or consolidation);

(j) all warranties being complied with, and being true, accurate and correct in all material respects as at the Completion Date, as if repeated at Completion and at all times between the date of the SPA and Completion;

(k) the parties to the SPA having performed all of the covenants and agreements required to be performed or caused to be performed by it under the SPA on or prior to the Completion Date;

(l) none of the parties to the SPA having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the Proposed Acquisition, and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such injunction, other order or action which is threatened; and

(m) there being no material adverse change in the prospects, operations, assets, business, results, profits or condition (financial or otherwise) of the PAI Group occurring on or prior to the Completion Date.

To the extent that each of the conditions precedent above is for the benefit of the Company, subject to applicable laws and regulations, the Company may at its sole and absolute discretion waive (in whole or in part) any non-fulfilment of such conditions.

3.2.2 Other Material Terms

Other material terms of the SPA include, *inter alia*:

(a) **Completion**

Completion of the Proposed Acquisition shall take place on the fifth (5^{th}) Business Day after the satisfaction of the conditions precedent or such other date as the parties may mutually agree in writing (the "**Completion Date**"), in any event not later than the Long-Stop Date.

The "**Long-Stop Date**" is defined in the SPA to mean 1 December 2017 or such other date as the parties to the SPA may mutually agree in writing. In the event that Completion does not take place by the Long-Stop Date, then save as expressly provided in the SPA, the SPA shall terminate and neither party shall have any claim against the other under the SPA save in respect of any antecedent breach of the SPA.

(b) **Warranties, Covenants and Undertakings**

The SPA contains such warranties, covenants and undertakings, from the Vendor as are customary for transactions of similar nature.

3.3 Listing and Quotation Notice

The Sponsor, on behalf of the Company, has submitted an additional listing application to the SGX-ST for the listing of and quotation for the Consideration Shares on Catalist. The listing and quotation notice, if issued by the SGX-ST, is not to be taken as an indication of the merits of the Proposed Acquisition, the Group, the Shares, the PAI Group, or the Consideration Shares. An announcement will be made in due course to notify Shareholders upon the receipt of the listing and quotation notice.

3.4 Service Contracts

At the Latest Practicable Date, no person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

4. RATIONALE FOR THE PROPOSED ACQUISITION

The Group is a property developer in Singapore with an exclusive focus on the development of residential and commercial properties. Apart from property development, the Group also generates revenue from its investment properties which currently comprise 2 shop units at Balestier Road and 96 serviced apartments at 554 Havelock Road (*Louis Kienne Serviced Residences*).

The Proposed Acquisition will be beneficial for the Company's property investment business as the Company will be able to expand its investment property portfolio and increase its revenue stream. The PAI Properties represent a good investment opportunity for the Company as they are a good class of properties in prime locations in Singapore with high occupancy rates, most of which have freehold or 999-year tenure. With the Proposed Acquisition, the Company seeks to improve the stability of its recurring income.

The Proposed Acquisition will also enable the Company to increase its market capitalisation, enhance its investment profile and generate increased investors' interest. With the enlarged market capitalisation, subject to meeting regulatory requirements, the Company has the intention to apply to SGX-ST to be transferred to the Mainboard of the SGX-ST for greater visibility and recognition in the market and amongst investors. This will create a better platform for the Company to tap on the debt and equity markets in a more efficient manner. The Company will then be better positioned to have greater financial capacity to seek development and investment opportunities in Singapore, and to chart its next chapter of growth.

5. THE PROPOSED ACQUISITION AS AN INTERESTED PERSON TRANSACTION

5.1 Chapter 9 of the Catalist Rules

Under Chapter 9 of the Catalist Rules, where a listed company proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5% of listed group's latest audited NTA, shareholders' approval is required in respect of the transaction.

An "**interested person**" is defined under the Catalist Rules as:

(a) a director, chief executive officer or controlling shareholder of the listed company; or

(b) an associate of such director, chief executive officer or controlling shareholder.

5.2 Details of Interested Persons

As at the Latest Practicable Date, the Vendor is a Controlling Shareholder of the Company, having a direct interest of 378,789,384 Shares representing approximately 60.40% of the issued and paid-up share capital of the Company. Accordingly, the Vendor is an interested person within the meaning of Chapter 9 of the Catalist Rules in relation to the Proposed Acquisition.

5.3 Shareholders' Approval of the Proposed Acquisition pursuant to Chapter 9 of the Catalist Rules

Based on the Group's latest audited consolidated financial statements for FY2017, its consolidated NTA as at 31 March 2017 was approximately S$53,359,481. The Consideration of S$200,938,367 represents approximately 377% of the Company's latest audited consolidated NTA. Accordingly, as the value of the Proposed Acquisition is more than 5% of the FY2017 Group's NTA, the Proposed Acquisition constitutes an interested person transaction which requires the approval of Shareholders.

Pursuant to Rule 919 of the Catalist Rules, the Vendor and its Associates will abstain from voting (either in person or by proxy), in respect of the resolutions relating to the Proposed Acquisition at the EGM. In addition, Dr. Nico Purnomo Po, the Chief Executive Officer and Executive Director of the Company, who is deemed to be interested in the 378,789,384

Shares held by the Vendor by virtue of section 4 of the Securities and Futures Act, will abstain from voting (either in person or by proxy) on the resolutions relating to the Proposed Acquisition.

5.4 Other Interested Person Transactions

Save for the Proposed Acquisition, there were no other interested person transactions entered into between the Company and the Vendor for the current financial year, from 1 April 2017 up to the Latest Practicable Date.

Save as disclosed in Section 5.5 of this Circular, there were no material interested person transactions entered into between the PAI Group and the interested persons of the Company for the current financial year, from 1 April 2017 up to the Latest Practicable Date.

The total value of all interested person transactions entered into by the Company for the current financial year, from 1 April 2017 up to the Latest Practicable Date is approximately S$83,221.00, which comprises:

(a) S$32,311.00, being fees payable by Peninsula Park Residences Pte. Ltd., a wholly-owned subsidiary of the Company to Ariva Hospitality Premier Pte. Ltd. ("**Ariva**") under a technical service and hospitality management agreement. Ariva is an Associate of Dr. Nico Purnomo Po and thus an interested person of the Group; and

(b) S$50,910.00, being rent payable by Buildersmart Pte. Ltd. ("**Buildersmart**") to Luban Investments Pte. Ltd. ("**Luban**"), a wholly-owned subsidiary of the Company, under a tenancy agreement. Buildersmart is an Associate of Mr. Tan Kay Kiang, a Director and thus an interested person of the Group.

5.5 Personal Guarantees granted by Dr. Nico Purnomo Po

Several of the credit facilities of the PAI Group are secured by (amongst other securities) personal guarantees provided by Dr. Nico Purnomo Po, details of which are set out below:

Borrower	Type of Facility	Limit of Facility	Amount Owing as at the Latest Practicable Date	Limit of Personal Guarantee as at the Latest Practicable Date
Cherimoya Worldwide Corporation	Revolving credit facility	Up to S$8,400,000	S$7,250,000	S$1,000,000
Orchard Residence Investment Pte. Ltd.	Revolving credit facility	Up to S$7,300,000	S$6,790,000	S$1,100,000
Richmond View Investment Pte. Ltd.	Revolving credit facility	Up to S$4,900,000	S$3,710,000	S$650,000
Savers Investment Ltd	Revolving credit facility	Up to S$13,300,000	S$11,708,000	S$1,620,000
Symbianta Worldwide Inc.	Revolving credit facility	Up to S$10,500,000	S$8,837,320	S$1,280,000

As no fees are payable by the PAI Group for the provision of these personal guarantees, there is no amount at risk to the Group. After Completion and subject to negotiations with the bank who has provided such credit facilities, it is intended that Dr. Nico Purnomo Po will continue to provide the personal guarantees in relation to the credit facilities granted to the PAI Group. Accordingly, Dr. Nico Purnomo Po has irrevocably and unconditionally undertaken to the Company that he shall continue to provide personal guarantees for loans taken by the PAI Group as required by the bank and the discharge of his personal guarantees in the future is not expected to result in a material adverse change in the terms and conditions of the credit facilities which may be adverse and/or detrimental to the PAI Group. Please refer to Section 6.5 of Appendix A of this Circular for further details on the credit facilities of the PAI Group.

5.6 IFA Opinion

Provenance Capital Pte. Ltd. has been appointed as the IFA to advise the Independent Directors on whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

Based on their considerations and subject to the limitations, qualifications and assumptions set out in the IFA Letter, the IFA is of the opinion that, the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. The IFA's opinion is extracted and set out in detail below:

"In arriving at our opinion in respect of the Proposed Acquisition as an Interested Person Transaction, we have reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment:

(a) rationale for the Proposed Acquisition;

(b) assessment of the Consideration for the Proposed Acquisition;

(c) assessment of the Issue Price for the Consideration Shares;

(d) dilution impact arising from the Proposed Acquisition on the Minority Shareholders; and

(e) other relevant considerations.

Overall, based on our analysis and after having considered carefully the information available to us, we are of the opinion that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its Minority Shareholders."

A copy of the IFA Letter setting out the IFA's advice in full is reproduced at Appendix B of this Circular. Shareholders are advised to read the IFA Letter in full and consider it carefully in the context of this Circular and the Proposed Acquisition.

5.7 Audit Committee's Statement

The Audit Committee having reviewed, *inter alia*, the rationale for and the terms of the Proposed Acquisition and the benefits to the Group that may be obtained therefrom, and taking into consideration the opinion of the IFA as set out in the IFA Letter, is of the view that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

6. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES IN RELATION TO THE PROPOSED ACQUISITION

6.1 Bases in Rule 1006 of the Catalist Rules

For the purposes of Chapter 10 of the Catalist Rules, the relative figures of the Proposed Acquisition computed on the bases set out in Rules 1006(a) to (e) of the Catalist Rules, using the latest audited financial statements of the Group and the PAI Group for FY2017 are as follows:

Rule 1006	Bases	%
(a)	The net asset value of the assets disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets	Not applicable
(b)	The net profits attributable to the assets acquired, compared with the Group's net profits	105.3[(1)]
(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of Shares excluding treasury shares	628.3[(2)]
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	340.0[(3)]
(e)	The aggregate volume or amount proven and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such asset	Not applicable

Notes:

(1) Pursuant to Rule 1002(3)(b) of the Catalist Rules, "**net profits**" is defined as profits before income tax, minority interests and extraordinary items. The relative figure of 105.3% in Rule 1006(b) of the Catalist Rules is computed by dividing the Adjusted PBT attributable to the Sale Shares of S$2,750,049 for FY2017, by the Group's audited net profit of S$2,612,253 for FY2017.

(2) The relative figure of 628.3% in Rule 1006(c) of the Catalist Rules is computed by dividing the Consideration of S$200,938,367 by the market capitalisation of the Company of approximately S$31,982,885, which is determined by multiplying the total number of shares in issue of 627,115,384 Shares as at the date of the SPA Announcement, by the VWAP of each share of S$0.051 as at 31 July 2017, being the last full market day when the Shares were transacted on the SGX-ST preceding the date of the SPA.

(3) The relative figure of 340.0% in Rule 1006(d) of the Catalist Rules is computed by dividing the number of 2,132,352,941 Consideration Shares to be issued by the Company, by the total number of 627,115,384 Shares as at the date of the SPA Announcement.

As the relative figures under Rules 1006(b), (c) and (d) of the Catalist Rules exceed 100% but there is no change in control of the Company pursuant to the Proposed Acquisition, the Proposed Acquisition would have been considered as a "very substantial acquisition" under Rule 1015 of the Catalist Rules. Accordingly, the Completion is conditional upon, *inter alia*, the approval of Shareholders at an EGM to be convened.

6.2 Waiver Application

6.2.1. As the relative figures under Rules 1006(b), (c) and (d) of the Catalist Rules exceed 100%, the Company made an application to the SGX-ST to seek waiver from complying with the requirements of Rule 1015 of the Catalist Rules and for the Proposed Acquisition to be regarded as a "major transaction" under Rule 1014 of the Catalist Rules (the "**Waiver**"). The main reasons for seeking the Waiver are set out below:

(a) The Proposed Acquisition represents an expansion of the Company's existing property investment business and will not result in a change in control of the Company. Upon Completion, the Vendor and Dr. Nico Purnomo Po will continue to be Controlling Shareholders of the Company. There will be no change to the Board or management as a result of the Proposed Acquisition;

(b) The Proposed Acquisition is essentially an acquisition of more investment properties by the Company. PAI's business is that of a holding company and the PAI Subsidiaries are property investment companies which own the PAI Properties. The PAI Group does not have any employees and outsources its property management and finance functions;

(c) The PAI Properties represent a good investment opportunity for the Company as they are a good class of properties located in prime locations of Singapore with historical high occupancy rate and a substantial majority of the PAI Properties have freehold or 999 years tenure; and

(d) The Proposed Acquisition is not expected to change the risk profile of the Company.

6.2.2. The SGX-ST had, on 7 June 2017, advised the Company that it has no objection to granting the Waiver, having taken into account the following:

(a) The Proposed Acquisition does not entail the acquisition of a new business venture but purely an acquisition of assets (i.e. investment properties);

(b) The Proposed Acquisition is an expansion of the Company's business in investment properties in Singapore, which would not significantly alter the industry and business risk profile of the Company nor result in fundamental change in the Company's business;

(c) The Board is of the view that the Proposed Acquisition will not have significant adverse impact on the Enlarged Group's financial position, earnings and gearing. The PAI Group is revenue generating and expected to generate positive operating cash flows;

(d) The Proposed Acquisition will not result in change of control of the Company in terms of Board composition/management/shareholding interests;

(e) The Company will appoint an independent valuer to value the PAI Group and disclose the valuation report in the Circular in relation to the Proposed Acquisition;

(f) The Company will disclose the audited financial statements of the PAI Group for FY2015 and FY2016, as well as pro forma financial statements of the Enlarged Group for FY2016 in the Circular;

(g) The Company will comply with requirements under Rule 921 of the Catalist Rules, including an independent financial adviser's letter stating whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders;

(h) The Vendor will comply with the moratorium requirements under Rules 419 to 422 of the Catalist Rules and shall provide a moratorium undertaking to comply with the aforementioned rules. In addition, the Vendor will also procure a moratorium undertaking from Dr. Nico Purnomo Po, the sole shareholder of the Vendor for a period of 18 months commencing from the date of the listing of the Consideration Shares; and

(i) The Company will disclose the requirements under "Part V – Information on Relevant Corporation" and "Part VI – Operating and Financial Review" of the 5th Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 in the Circular, where applicable.

6.2.3. The Waiver is subject to:

(a) Compliance with Rule 1014 of the Catalist Rules in respect of the Proposed Acquisition;

(b) The Company making an announcement, as soon as practicable, on the Waiver granted by the SGX-ST. The announcement must include the reasons for the Company's application and the conditions, if any, attached to the Waiver and as required under Rule 106 of the Catalist Rules;

(c) The Company obtaining declarations containing information in Appendix 7F of the Catalist Rules from the Company's Directors, Executive Officers and Controlling Shareholders and making necessary disclosures in the Company's circular to Shareholders;

(d) Both the Company and its Sponsor, SAC Advisors Private Limited, providing a confirmation to the SGX-ST on working capital sufficiency that after taking into consideration the present bank facilities of the Enlarged Group, they are of the opinion that the working capital available to the Enlarged Group is sufficient for the next 12 months and making necessary disclosures in the Circular;

(e) The Vendor complying with the moratorium requirements under Rules 419 to 422 of the Catalist Rules and shall provide a moratorium undertaking to comply with the aforementioned rules. In addition, the Vendor will also procure a moratorium undertaking from Dr. Nico Purnomo Po, the sole shareholder of the Vendor for a period of 18 months commencing from the date of the listing of the Consideration Shares;

(f) Pursuant to Rules 719 and 1204(10) of the Catalist Rules, the Company shall commission a review of the internal controls of the Enlarged Group and the Company shall be satisfied with the implementation of recommendations, if any, from an internal auditor to be appointed. The said review should be completed by the end of the next immediate financial year following the signing of the SPA; and

(g) Submission of a written confirmation from the Company that the Waiver does not contravene any laws and regulations governing the Company and the Constitution of the Company.

6.2.4. In relation to Section 6.2.2(f) above, the Company has disclosed:

(a) the audited consolidated financial statements of the PAI Group for FY2015 and FY2016 in Appendix D of this Circular;

(b) the audited consolidated financial statements of the PAI Group for FY2017 in Appendix E of this Circular; and

(c) the unaudited pro forma financial information of the Enlarged Group for FY2017 in Appendix F of this Circular.

6.2.5. In relation to Section 6.2.3(f) above, the Company has provided an undertaking to SGX-ST and the Sponsor to engage an internal auditor to conduct internal controls review of the Enlarged Group and the Company shall be satisfied with the implementation of recommendations, if any, from the appointed internal auditor.

6.2.6. In relation to Section 6.2.3(g) above, the Company has provided a confirmation to SGX-ST and the Sponsor that the Waiver does not contravene any laws and regulations governing the Company and the Constitution of the Company.

6.3 Information on the Company's Directors, Executive Officers and Controlling Shareholders

Upon Completion, there will be no change to the existing Board of Directors and the Executive Officers of the Company. Also, the Vendor and Dr. Nico Purnomo Po will continue to be Controlling Shareholders of the Company following Completion.

In relation to Section 6.2.3(c) above, the Company has obtained declarations containing information in Appendix 7F of the Catalist Rules from the Company's Directors, Executive Officers and Controlling Shareholders, including the Vendor (where applicable), that as at the Latest Practicable Date, none of the Company's Directors, Executive Officers and Controlling Shareholders:

(a) had at any time during the last ten years, an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;

(b) had at any time during the last ten years, an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;

(c) has any unsatisfied judgement against him;

(d) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty, which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;

(e) has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;

(f) had at any time during the last ten years, judgement entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;

(g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;

(h) has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;

(i) has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity;

(j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:

(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;

(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;

(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or

(k) has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or governmental agency, whether in Singapore or elsewhere.

7. CHAPTER 8 OF THE CATALIST RULES

7.1 Under Section 161(1) of the Companies Act, notwithstanding anything in a company's constitution, the directors shall not, without the prior approval of the company in a general meeting, exercise any power of the company to issue shares. Rule 804 of the Catalist Rules provides that, except in the case of an issue made on a *pro rata* basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Catalist Rules, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment. Such directors and their associates must abstain from exercising any voting rights on the matter.

7.2 Pursuant to the Proposed Acquisition, 2,132,352,941 Consideration Shares will be issued to the Vendor, representing in aggregate 340.0% of the existing issued and paid-up share capital of the Company of 627,115,384 Shares and 77.3% of the enlarged issued and paid-up share capital of the Company of 2,759,468,325 Shares following Completion. The Vendor currently holds 378,789,384 Shares, and will hold 2,511,142,325 Shares representing in aggregate 91.0% of the enlarged issued and paid-up share capital of the Company following Completion.

7.3 The Vendor falls within the categories of persons covered in Rule 804 of the Catalist Rules and Shareholders' approval in respect of the proposed allotment and issue of the Consideration Shares to the Vendor is therefore required pursuant to Section 161 of the Companies Act and Rule 804 of the Catalist Rules. Accordingly, the Company will be seeking Shareholders' approval for the allotment and issuance of the Consideration Shares to the Vendor at the EGM to be convened.

8. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The pro forma financial effects of the Proposed Acquisition on the Group as set out below are purely for illustrative purposes only and are neither indicative nor do they represent any projection of the financial performance or position of the Group after the Completion.

The pro forma financial effects set out below have been prepared based on (i) the latest audited consolidated financial statements of the Group for FY2017 and (ii) the audited consolidated financial statements of the PAI Group for FY2017 which takes into account the adjustments as set out in Section 2.3 above with the assumption that cost accounting for investment properties is adopted.

For avoidance of doubt, such financial effects do not take into account of any corporate actions announced and undertaken by the Group subsequent to 1 April 2017.

8.1 NTA per Share

Assuming that the Proposed Acquisition had been completed on 31 March 2017, the financial effect on the consolidated NTA per Share of the Group as at 31 March 2017 is as follows:

	Before Proposed Acquisition	**After Proposed Acquisition**
NTA (S$'000)	53,359	198,034
Number of Shares ('000)	627,115	2,759,468
NTA per Share (cents)	8.51	7.18

8.2 EPS

Assuming that the Proposed Acquisition had been completed on 1 April 2016, being the beginning of the most recently completed financial year, the financial effect on the consolidated net EPS of the Group for FY2017 is as follows:

	Before Proposed Acquisition	**After Proposed Acquisition**
PAT attributable to Shareholders for FY2017 (S$'000)	2,576	4,005
Weighted average number of Shares ('000)	627,115	2,759,468
EPS (cents)	0.41	0.15

8.3 Share Capital

Assuming that the Proposed Acquisition had been completed on 31 March 2017, the impact on the share capital of the Company as at 31 March 2017 is as follows:

	Before Proposed Acquisition	After Proposed Acquisition
Issued share capital (S$'000)	54,806	199,806
Number of Shares	627,115,384	2,759,468,325

8.4 Net Gearing Ratio

Assuming that the Proposed Acquisition had been completed on 31 March 2017, the financial effect on the net gearing ratio of the Group for FY2017 is as follows:

	Before Proposed Acquisition	After Proposed Acquisition
Net debts(1) (S$'000)	60,655	201,027
Capital and net debts (S$'000)	114,015	399,062
Net gearing ratio	53%	50%

Note:

(1) Net debts consist of trade payables, other payables and accruals, loans and borrowings and loan from joint venture, less cash and cash equivalents.

9. FINANCIAL INFORMATION ON THE PAI GROUP AND THE ENLARGED GROUP

9.1 Audited Financial Statements of the PAI Group

The following selected financial information of the PAI Group should be read in conjunction with the full text of this Circular, Appendix D: Independent Auditor's Report on the Audited Consolidated Financial Statements of the PAI Group for FY2015 and FY2016, and Appendix E: Independent Auditor's Report on the Audited Consolidated Financial Statements of the PAI Group for FY2017.

Consolidated Statements of Comprehensive Income (presentation by nature of expense method) – FY2015 and FY2016

	Audited FY2016 S$	Audited FY2015 S$
Revenue		
Rental income	9,788,367	8,870,247
Season parking income	33,739	37,530
Advertising income	30,287	30,558
Income from air conditioning usage	178,880	182,650
Electricity fee income	9,600	9,600
Dividend income	13,485	14,665
	10,054,358	9,145,250
Other income		
Fair value gain on quoted investments	–	15,079
Gain on disposal of subsidiaries	1,245	2,381,287
Gain on foreign exchange	–	280
Income on early termination of rental	–	200,619
Other income	5,287	1,296
	10,060,890	11,743,811
Operating expenses		
Accounting fees	–	32,320
Allowance for impairment losses	–	(8,500)
Building repair and maintenance	(304,712)	(405,728)
Bank term loan interest	(3,070,811)	(2,511,774)
Upkeep of buildings	(588,896)	(627,628)
Commission expenses	(27,007)	(142,951)
Consultancy fees	(3,500)	(12,950)
Depreciation of plant and equipment	(162,973)	(131,493)
Fair value loss on investment properties	–	(482,044)
Fair value loss on quoted investments	(93,000)	–
Insurance	(8,472)	(7,149)
Legal and professional fee	(3,478)	(18,848)
Management fee	(264,524)	(262,990)
Property tax	(602,090)	(668,511)
Repair and maintenance	(21,527)	(12,813)
Sinking fund	(11,937)	(6,666)
Tax service fee	(4,639)	(18,322)
Telephone charges	(2,317)	(4,806)
Upkeep of motor vehicle	(49,802)	(63,758)
Upkeep of units	(2,579)	(15,384)
Other operating expenses	(112,313)	(124,126)
	(5,334,577)	(5,494,121)
Profit before tax	4,726,313	6,249,690
Income tax expense	(1,821,746)	(385,588)
Profit for the financial year attributable to owners of PAI	2,904,567	5,864,102
Other comprehensive income for the financial year, net of tax	–	–
Total comprehensive income for the financial year attributable to owners of PAI	2,904,567	5,864,102

Consolidated Statements of Comprehensive Income (presentation by function of expense method) – FY2016 and FY2017[(1)]

Note:

(1) There is a change in presentation of the Consolidated Statements of Comprehensive Income from the "nature of expense" method in FY2015 and FY2016 above, to the "function of expense" method in FY2016 and FY2017 below.

	Audited FY2017 S$	Audited FY2016 S$
Revenue	9,977,144	10,040,873
Other income	33,650,833	20,017
Other items of expenses		
General and administrative expenses	(2,398,731)	(2,235,372)
Marketing and distribution expenses	(71,094)	(27,007)
Finance costs	(3,388,568)	(3,072,198)
Profit before tax	37,769,584	4,726,313
Income tax expense	(995,697)	(1,821,746)
Profit for the financial year attributable to owners of PAI	36,773,887	2,904,567
Other comprehensive income for the financial year, net of tax	–	–
Total comprehensive income for the financial year attributable to owners of PAI	36,773,887	2,904,567

Consolidated Statements of Financial Position – FY2015 and FY2016

	Group	
	Audited As at 31 March 2016 S$	Audited As at 31 March 2015 S$
Non-current assets		
Investment properties	250,658,000	250,658,000
Plant and equipment	1,692,201	799,488
	252,350,201	251,457,488
Current assets		
Investments	170,250	263,250
Trade receivables	86,095	35,637
Non-trade receivable from the holding company	56,018,881	–
Non-trade receivable from related parties	599	74,376,566
Other receivables, deposits and prepayments	58,387	212,149
Cash at banks	9,860,422	9,464,808
	66,194,634	84,352,410
Total assets	318,544,835	335,809,898
Current liabilities		
Trade payables	455,673	483,550
Non-trade payable to a director	51	60
Non-trade payable to related parties	–	19,409,481
Other payables, deposits and accruals	2,590,946	3,343,168
Bank term loans (secured)	150,212,703	150,211,882
Provision for taxation	1,102,381	1,083,243
	154,361,754	174,531,384
Net current liabilities	(88,167,120)	(90,178,974)
Non-current liabilities		
Deferred tax liabilities	1,849	1,849
Total liabilities	154,363,603	174,533,233
Net assets	164,181,232	161,276,665
Equity attributable to owners of the Company		
Share capital	164,000,001	1
Unappropriated profits	181,231	161,276,664
Total equity	164,181,232	161,276,665
Total equity and liabilities	318,544,835	335,809,898

Consolidated Statements of Financial Position – FY2017(1)

Note:

(1) The comparative figures for FY2016 and FY2017 were audited by different professional auditing firms. As such, certain comparative figures and classifications have been reclassified to conform to the same presentation.

	Group	
	Audited As at 31 March 2017 S$	**Reclassified As at 31 March 2016 S$**
Non-current assets		
Investment properties	284,200,000	250,658,000
Plant and equipment	1,613,875	1,692,201
	285,813,875	252,350,201
Current assets		
Investment securities	215,250	170,250
Trade receivables	434,616	86,095
Due from the holding company	55,938,367	56,018,881
Due from related parties	614	599
Other receivables and deposits	39,280	44,774
Prepaid operating expenses	19,273	13,613
Cash and cash equivalents	12,707,523	9,860,422
	69,354,923	66,194,634
Total assets	355,168,798	318,544,835
Current liabilities		
Trade payables	213,880	314,443
Deferred revenue	300,340	–
Due to a director	2,236	51
Due to subsidiaries	–	–
Other payables and accruals	2,850,847	2,732,176
Loans and borrowings	149,652,703	150,212,703
Provision for taxation	1,193,673	1,102,381
	154,213,679	154,361,754
Net current liabilities	(84,858,756)	(88,167,120)
Non-current liabilities		
Deferred tax liabilities	–	1,849
Total liabilities	154,213,679	154,363,603
Net assets	200,955,119	164,181,232
Equity attributable to owners of the Company		
Share capital	164,000,001	164,000,001
Revenue reserve	36,955,118	181,231
Total equity	200,955,119	164,181,232
Total equity and liabilities	355,168,798	318,544,835

9.2 Pro Forma Financial Statements of the Enlarged Group

The following selected financial information of the Enlarged Group should be read in conjunction with the full text of this Circular and Appendix F: Report on the Compilation of Unaudited Pro Forma Financial Information of the Enlarged Group for FY2017.

Unaudited Pro Forma Consolidated Statements of Comprehensive Income – FY2017

	FY2017 S$
Revenue	39,855,275
Cost of sales	(26,533,548)
Gross profit	13,321,727
Other income	724,015
Other items of expense	
Marketing and distribution	(90,594)
General and administrative expenses	(11,191,475)
Finance costs	(4,086,474)
Share of result of an associate, net of tax	(2,551)
Share of result of a joint venture, net of tax	6,362,654
Profit before tax	5,037,302
Income tax expense	(1,032,200)
Profit for the financial year attributable to owners of the Company	4,005,102
Other comprehensive income for the financial year, net of tax	–
Total comprehensive income for the year attributable to owners of the Company	4,005,102

Unaudited Pro Forma Consolidated Statements of Financial Position – FY2017

	As at 31 March 2017 S$
Non-current assets	
Plant and equipment	3,122,055
Investment properties	335,188,220
Investment in a joint venture	13,197,787
Investment in an associate	847,293
	352,355,355
Current assets	
Properties under development	25,754,056
Trade receivables	13,590,654
Other receivables and deposits	484,217
Prepaid operating expenses	114,098
Investment securities	215,250
Due from related companies	9,186,966
Cash and cash equivalents	15,893,176
	65,238,417
Total assets	417,593,772
Current liabilities	
Trade payables	3,746,664
Deferred revenue	497,696
Other payables and accruals	5,299,451
Loan from joint venture	14,490,601
Due to a director	2,236
Loans and borrowings	176,012,592
Provision for taxation	1,595,215
	201,644,455
Net current liabilities(1)	(136,406,038)
Non-current liabilities	
Deferred tax liabilities	543,810
Loans and borrowings	17,371,026
	17,914,836
Total liabilities	219,559,291
Net assets	198,034,481
Equity	
Share capital	199,805,876
Revenue reserves	(1,771,395)
Total equity	198,034,481
Total equity and liabilities	417,593,772

Note:

(1) Please refer to Section 6.4 of Appendix A of this Circular entitled "Liquidity and Capital Resources" for more information on PAI Group's debt refinancing plans.

9.3 Working Capital of the Enlarged Group

The Directors are of the reasonable opinion that, after having made due and careful enquiry and after taking into consideration the cash flow expected to be generated from the Enlarged Group's operations, the existing cash and cash equivalents of the Enlarged Group and the present banking facilities of the Enlarged Group, the working capital available to the Enlarged Group as at the date of this Circular is sufficient for the Enlarged Group's present requirements and for the next 12 months after Completion.

The Sponsor is of the reasonable opinion that, after having made due and careful enquiry and after taking into consideration the cash flow expected to be generated from the Enlarged Group's operations, the existing cash and cash equivalents of the Enlarged Group and the present banking facilities of the Enlarged Group, the working capital available to the Enlarged Group as at the date of this Circular is sufficient for the Enlarged Group's present requirements and for the next 12 months after Completion.

10. MORATORIUM

In compliance with the conditions of the Waiver, the following persons have provided moratorium undertakings, in accordance to the moratorium requirements under Rules 419, 420, 421 and 422 of the Catalist Rules, in favour of the Company and the Sponsor as set out below:

(a) The Vendor has irrevocably and unconditionally undertaken not to offer, sell, contract to sell, realise, pledge, assign, lend, transfer, grant any option, warrant or right to purchase, grant any security over, encumber, or otherwise enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of (i) all or any part of its shareholding interests in the Company for the period of 12 months commencing from the date of listing of the Consideration Shares on Catalist; and (ii) more than 50% of its shareholding interests in the Company for the subsequent six (6) months (such shareholdings being adjusted for any bonus issue, subdivision or consolidation).

(b) Dr. Nico Purnomo Po, the sole shareholder of the Vendor, has irrevocably and unconditionally undertaken that he will not offer, sell, contract to sell, realise, pledge, assign, lend, transfer, grant any option, warrant or right to purchase, grant any security over, encumber, or otherwise enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of any part of his shareholding interests in the Vendor for a period of 18 months commencing from the date of listing of the Consideration Shares on Catalist (such shareholdings being adjusted for any bonus issue, subdivision or consolidation).

11. COMPLIANCE PLACEMENT

As at the Latest Practicable Date, the number and percentage of shares held in the hands of the public are 152,030,047 and 24.24% respectively. Accordingly, Rule 723 of the Catalist Rules which requires at least 10% of the total number of issued shares to be held by the public has been complied with.

Following Completion and the issue and allotment of the Consideration Shares, the number and percentage of shares held in the hands of the public would be 152,030,047 and 5.51% respectively, falling below the minimum free float requirements under Rule 723 of the Catalist Rules. In such event, trading in the Shares on the SGX-ST may be suspended until the public float and shareholding spread requirements are met.

In such situation, the Company will undertake a compliance placement to issue such number of new Shares (the "**Compliance Placement**"), on such terms as the Board may deem fit in order to meet the public float and shareholding requirements.

In the alternative, the Vendor may, prior to Completion, undertake a placement exercise to sell such number of Shares owned by the Vendor (the "**Vendor Sale**") so as to meet the public float and shareholding requirements post Completion.

Shareholders should note that the terms of the Compliance Placement and/or the Vendor Sale, if and when it occurs, would be driven by various factors, including without limitation, market conditions and prices. Further details on the Compliance Placement and/or the Vendor Sale will be released in due course.

12. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

12.1 Interests of the Directors and Substantial Shareholders in Shares

Based on the shareholdings of the Company as at the Latest Practicable Date, the effect of the Proposed Acquisition on the shareholdings of the Directors and the Substantial Shareholders are as follows:

	Before the Proposed Acquisition[1]					
	Direct Interest		**Deemed Interest**		**Total Interest**	
	No. of Shares	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Directors						
Nico Purnomo Po[3]	–	–	378,789,384	60.40	378,789,384	60.40
Tan Kay Kiang[4]	15,865,421	2.53	10,740,960	1.71	26,606,381	4.24
Low Chai Chong[5]	–	–	200,000	0.03	200,000	0.03
Tan Nan Choon	3,310,000	0.53	–	–	3,310,000	0.53
Substantial Shareholders (other than Directors)						
Pollux Holdings Pte. Ltd.	378,789,384	60.40	–	–	378,789,384	60.40

	After the Proposed Acquisition(2)					
	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors						
Nico Purnomo Po(3)	–	–	2,511,142,325	91.00	2,511,142,325	91.00
Tan Kay Kiang(4)	15,865,421	0.57	10,740,960	0.39	26,606,381	0.96
Low Chai Chong(5)	–	–	200,000	0.01	200,000	0.01
Tan Nan Choon	3,310,000	0.12	–	–	3,310,000	0.12
Substantial Shareholders (other than Directors)						
Pollux Holdings Pte. Ltd.	2,511,142,325	91.00	–	–	2,511,142,325	91.00

Notes:

(1) The percentage of shareholding is computed based on 627,115,384 Shares in the capital of the Company as at the Latest Practicable Date. The Company does not have treasury shares and subsidiary holdings as at the Latest Practicable Date.

(2) The percentage of shareholding is computed based on 2,759,468,325 Shares in the capital of the Company following the Completion.

(3) Dr. Nico Purnomo Po is deemed to be interested in the 378,789,384 Shares held by Pollux Holdings Pte. Ltd., by virtue of Section 7(4) of the Companies Act.

(4) Mr. Tan Kay Kiang is deemed to be interested in the 741,000 Shares held by Shining Development Pte Ltd, a wholly-owned subsidiary of Shining Holdings Pte Ltd, by virtue of Sections 7(4A) and 7(4) of the Companies Act and 9,999,960 Shares held by his spouse by virtue of Section 164(15)(a) of the Companies Act.

(5) Mr. Low Chai Chong is deemed to be interested in the 200,000 Shares held by his spouse by virtue of Section 164(15)(a) of the Companies Act.

12.2 Interests of the Directors and Substantial Shareholders in the Proposed Acquisition

The following Director and Substantial Shareholders are interested in the Proposed Acquisition and shall abstain, and have undertaken to ensure that their Associates will abstain, from voting on the resolutions approving the Proposed Acquisition:

(a) Pollux Holdings Pte. Ltd., the Vendor; and

(b) Dr. Nico Purnomo Po, the sole shareholder of the Vendor, who is also the Chief Executive Officer and Executive Director of the Company.

The Vendor and Dr. Nico Purnomo Po, and their Associates will also refrain from accepting nomination as proxy or otherwise vote at the EGM in respect of the approving the Proposed Acquisition unless Shareholders appointing them as proxies give specific instructions in the relevant proxy forms on the manner in which they wish their votes to be cast for the said resolutions.

Save as disclosed in this Circular, none of the Directors or Substantial Shareholders of the Company or their respective Associates has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings in the Company.

12.3 No Conflict of Interests

The Vendor and its sole shareholder, Dr. Nico Purnomo Po have confirmed that neither the Vendor, Dr. Nico Purnomo Po, nor any of their Associates has any interest, direct or indirect, in any entity carrying on the same business or dealing in similar services which competes materially and directly with the business of the Enlarged Group.

13. DIRECTORS' RECOMMENDATIONS

13.1 In view of his interests in the Proposed Acquisition as described in Section 5 of this Circular, Dr. Nico Purnomo Po has abstained from making any recommendations in respect of the Proposed Acquisition.

13.2 Having considered the terms of the SPA, the rationale for the Proposed Acquisition, benefits to and the financial effects thereof on the Group arising from the Proposed Acquisition, the valuation of the PAI Properties as set out in the Valuation Certificates, the advice of the IFA and the relevant information set out in this Circular, the Independent Directors are of the opinion that the Proposed Acquisition is in the interests of the Company and the Shareholders. Accordingly, the Independent Directors recommend that the Shareholders vote in favour of the ordinary resolutions in relation to the Proposed Acquisition to be tabled at the EGM.

13.3 Shareholders, in deciding whether to vote in favour of the resolutions, should consider carefully the advice of the IFA with respect to the ordinary resolutions relating to the Proposed Acquisition (in particular, the various factors highlighted by the IFA in its IFA Letter) and read carefully the terms and conditions, rationale and financial effects of the Proposed Acquisition. In giving the above recommendations, the Independent Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

14. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page N-1 of this Circular, will be held at Mandarin Meeting Suite 802, Level 8 Main Tower, Mandarin Orchard Singapore, 333 Orchard Road, Singapore 238867 on 23 October 2017 at 2.00 p.m., for the purposes of considering and, if thought fit, passing with or without any modifications, the ordinary resolutions as set out in the Notice of EGM.

15. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy or proxies to attend and vote on their behalf, will find attached to this Circular, a Proxy Form which they are requested to complete, sign and return, in accordance with the instructions printed thereon, as soon as possible and, in any event, so as to arrive at the registered office of the Company at 391A Orchard Road, #08-07 Ngee Ann City Tower A, Singapore 238873, not less than 48 hours before the time appointed for the holding of the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy or proxies if he finds that he is able to do so. In such event, the relevant Proxy Form will be deemed to be revoked.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as certified by CDP at least 72 hours before the time appointed for the holding of the EGM.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular (save in respect of information pertaining to the Vendor and the PAI Group) and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries (save in respect of information pertaining to the Vendor and the PAI Group), and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular (save in respect of information pertaining to the Vendor and the PAI Group) 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 Circular in its proper form and context.

17. CONSENTS

17.1 Provenance Capital Pte. Ltd., the IFA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the IFA Letter set out in Appendix B to this Circular and all references to its name in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

17.2 Cypress Singapore PAC, the former Independent Auditor of PAI, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the Independent Auditor's Reports on the Audited Consolidated Financial Statements of the PAI Group for FY2015 and FY2016 set out in Appendix D to this Circular, and references to its name in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

17.3 Ernst & Young LLP, the Independent Auditor of PAI and Reporting Accountants to the Company has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the Independent Auditor's Report on the Audited Consolidated Financial Statements of the PAI Group for FY2017 and Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group for FY2017 set out in Appendix E and Appendix F to this Circular respectively, and references to its name in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

17.4 Cushman & Wakefield VHS Pte Ltd, the Independent Valuer and Independent Market Researcher, has given and has not withdrawn its written consent to the issue of this

Circular with the inclusion of the Valuation Certificates set out in Appendix C to this Circular and references to its name in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 391A Orchard Road, #08-07 Ngee Ann City Tower A, Singapore 238873 during normal business hours from the date of this Circular up to and including the date of the EGM:

(a) the Term Sheet;

(b) the SPA;

(c) the Annual Report of the Company for FY2017;

(d) the Constitution of the Company;

(e) the moratorium undertakings referred to in Section 10 of this Circular;

(f) the IFA Letter;

(g) the Independent Auditor's Report on the Audited Consolidated Financial Statements of the PAI Group for FY2015 and FY2016 as set out in Appendix D of this Circular;

(h) the Independent Auditor's Report on the Audited Consolidated Financial Statements of the PAI Group for FY2017 as set out in Appendix E of this Circular;

(i) the Report on the Compilation of Unaudited Consolidated Financial Information of the Enlarged Group for FY2017 as set out in Appendix F of this Circular;

(j) the Valuation Certificates and the Valuation Reports of the PAI Properties;

(k) the Market Report;

(l) the Desktop Valuation Letter; and

(m) the respective letters of consent referred to in Section 17 of this Circular.

Yours faithfully
For and behalf of the Board of Directors of
Pollux Properties Ltd.

Nico Purnomo Po
Executive Director and Chief Executive Officer

1. BACKGROUND AND HISTORY

1.1 Background

PAI is a private company limited by shares incorporated in the BVI on 7 August 2008 under the BVI Business Companies Act, 2004 with Dr. Nico Purnomo Po as its first subscriber. PAI is currently a wholly-owned subsidiary of the Vendor. PAI's registered office is at Portcullis Trustnet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands. PAI's principal place of business is Singapore, with its business address at 40A Orchard Road MacDonald House Singapore 238838, and its telephone and facsimile numbers at +65 6836 2774 and +65 6836 9116 respectively.

PAI has a total issued and fully paid-up share capital of S$164,000,001 comprising 116,378,088 ordinary shares. Save for the ordinary shares in the share capital of PAI, there are no other classes of shares in the share capital of PAI. As at the Latest Practicable Date, no person has, or has the right to be given, an option to subscribe for any securities of PAI.

PAI is principally engaged in the business of property investment holdings. Apart from the ownership and the renting of the PAI Properties, there are no other substantial assets or liabilities or ongoing business activities being carried out. PAI holds the PAI Properties through the PAI Subsidiaries, each of which are wholly-owned subsidiaries of PAI.

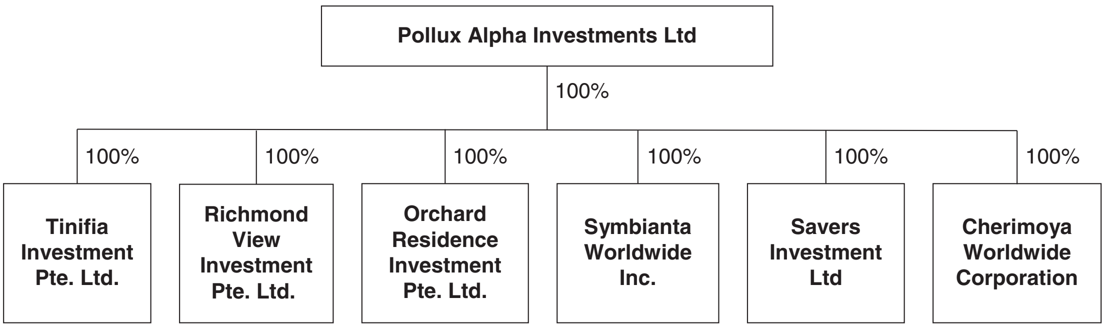
1.2 History

PAI was incorporated on 7 August 2008 and was formerly known as "Dream Paradise Development Corporation". Since its inception, PAI has been an investment holding company.

In March 2009, PAI acquired three of the PAI Subsidiaries, namely, Tinifia Investment Pte. Ltd., Richmond View Investment Pte. Ltd., and Orchard Residence Investment Pte. Ltd., from Dr. Nico Purnomo Po. In December 2012, PAI acquired the other three PAI Subsidiaries, namely, Symbianta Worldwide Inc., Savers Investment Ltd, and Cherimoya Worldwide Corporation, from Dr. Nico Purnomo Po. The PAI Properties have been held by the respective PAI Subsidiaries from the date such PAI Subsidiaries were acquired by PAI, up to the date of the Circular.

On 13 November 2015, Dream Paradise Development Corporation's name was changed to "Pollux Alpha Investments Ltd". On 28 November 2015, the entire issued share capital of PAI was transferred from Dr. Nico Purnomo Po to the Vendor.

2. GROUP STRUCTURE



The details of the PAI Subsidiaries as at the Latest Practicable Date are as follows:

Name of Subsidiary	Place of Incorporation	Principal Activity and Principal Place of Business	Issued and Paid-up Capital	Property held	Lettable Floor Area/Strata Floor Area (sq ft)	Tenure	Encumbrance of Property held
Tinifia Investment Pte. Ltd.	Singapore	Investment holding/ Singapore	S$164,100,003	40A Orchard Road MacDonald House Singapore 238838	88,727	Freehold	Mortgaged as security under a credit facility
Richmond View Investment Pte. Ltd.	Singapore	Investment holding/ Singapore	S$2	#11-02 31 Tanglin Road St. Regis Residences Singapore 247912	2,486	999 years commencing 24 November 1995	Mortgaged as security under a credit facility
Orchard Residence Investment Pte. Ltd.	Singapore	Investment holding/ Singapore	S$2	#41-05 238 Orchard Boulevard The Orchard Residences Singapore 237973	2,852	99 years commencing 13 March 2006	Mortgaged as security under a credit facility
Symbianta Worldwide Inc.	BVI	Investment holding/ Singapore	US$10	#02-06, #03-06, #26-06 57B Devonshire Road The Suites @ Central Singapore 239899	#02-06 – 1,442 #03-06 – 1,475 #26-06 – 3,670	Freehold	Mortgaged as security under a credit facility
Savers Investment Ltd	BVI	Investment holding/ Singapore	US$10	#02-04, #03-04, #04-04, #05-04, #06-04, #07-04 57B Devonshire Road The Suites @ Central Singapore 239899	#02-04 – 1,453 #03-04 – 1,367 #04-04 – 1,410 #05-04 – 1,345 #06-04 – 1,378 #07-04 – 1,378	Freehold	Mortgaged as security under a credit facility
Cherimoya Worldwide Corporation	BVI	Investment holding/ Singapore	US$10	#04-05, #05-05, #07-05 57B Devonshire Road The Suites @ Central Singapore 239899	#04-05 – 1,679 #05-05 – 1,765 #07-05 – 1,733	Freehold	Mortgaged as security under a credit facility

As at the Latest Practicable Date, saved as disclosed in this Appendix A, PAI does not have any other subsidiaries, jointly controlled entities or associated companies.

3. BUSINESS OVERVIEW

The core business of the PAI Group is property investment holdings. The PAI Group's portfolio properties comprise commercial and residential properties located in prime locations in Singapore, including the iconic MacDonald House at 40A Orchard Road.

The property investment activities of the PAI Group involve mainly the acquisition of completed commercial and residential properties or entities holding such properties to capitalise on the growth potential of the properties and to generate recurrent rental income.

Information on the PAI Properties is set out below. Please also refer to Section 2 of this Appendix A for further information on the PAI Properties.

3.1 Commercial Property

MacDonald House

MacDonald House is a historic building and monument located along Orchard Road within the Central Business District of Singapore. It is a 10-storey commercial and office building, with a banking hall on the 1st storey and mezzanine level, office from the 2nd to 10th storeys, and roof terraces on the 9th and 10th storeys. It has a freehold tenure with 88,727 square feet of net lettable area.

MacDonald House is well connected to public transportation. It is located across the road from Dhoby Ghaut MRT station, and buses and taxis are readily available along Orchard Road, Penang Road and Selegie Road nearby. It is also a short drive away from the Central Expressway which connects the development to other parts of Singapore.

The commercial developments surrounding MacDonald House comprise retail and entertainment complexes, office buildings, hotels and shop houses. Some of the more prominent buildings in the vicinity are Plaza Singapura, The Atrium @ Orchard, Concorde Hotel and The Cathay. There are also a number of educational institutions nearby such as Singapore Management University, the School of the Arts, Lasalle College of the Arts and Nanyang Academy of Fine Arts.

MacDonald House is also surrounded by residential projects such as 8@ Mt Sophia, Nomu, The Cathay Residences, The Luxe, Sophia Residence and The Suites @ Orchard. Other prominent landmarks nearby include the National Museum of Singapore as well as the Istana.

During the Period Under Review and up to the Latest Practicable Date, MacDonald House had three anchor tenants, namely, CMG Group (Singapore) Pte Ltd, McCann Worldgroup (Singapore) Pte Ltd and Citibank N.A.. MacDonald House has consistently achieved full occupancy rates of 100% during the Period Under Review. As at the Latest Practicable Date, the PAI Group is in negotiations with prospective tenants for two (2) floors of MacDonald House which have been unoccupied since May 2017.

The tenure for commercial leases at MacDonald House range from three (3) to four (4) years, with an option to renew, in line with general market practice. Typically, at three (3) to six (6) months prior to expiry of the lease tenure, the PAI Group will commence discussions with the existing tenant over renewal of the lease. In the event the lease is not intended to be renewed, the available unit(s) will be put up in the market for rent.

3.2 Residential Properties

a. St. Regis Residences (1 unit)

The PAI Group's property at St. Regis Residences is a 4-bedroom apartment with a private lift lobby within a 23-storey block. St. Regis Residences is a luxurious residential development located at the corner of Tomlinson Road and Cuscaden Road, developed in conjunction with a 299-room international luxury hotel, the St. Regis Singapore known for its bespoke service and refined elegance. Completed in 2008, it has a 999 years tenure and comprises 173 units.

St. Regis Residences lies on the fringe of the shopping, tourist and entertainment belt of Orchard Road and Tanglin Road. The immediate locality is generally mixed in nature comprising predominantly of residential, commercial and hotel developments. Residential developments nearby include The Tomlinson, Cuscaden Residences, Four Seasons Park, The Boulevard Residences, Nassim Jade and St. Martin Residence. Prominent landmarks in the vicinity include The Regent Hotel, Tanglin Shopping Centre, Orchard Parade Hotel, Forum The Shopping Mall and Four Seasons Hotel.

b. The Orchard Residences (1 unit)

The PAI Group's property at The Orchard Residences is a 3-bedroom apartment with a private lift lobby within a 56-storey block. The Orchard Residences is a 99-year leasehold condominium development just above the Orchard MRT station and Ion Orchard, at the junction of Orchard Boulevard and Paterson Road. Completed in 2010, it has a 99-year leasehold tenure and comprises 175 units.

Situated in the heart of the vibrant Orchard Road shopping and entertainment belt, it is also close to Singapore Botanic Gardens and Mount Elizabeth Hospital.

c. The Suites @ Central (12 units)

The PAI Group's properties at The Suites @ Central are 12 units comprising 3-bedroom apartments, 4-bedroom apartments, and a penthouse unit, each with their own private lift lobby, within a 33-storey block. The Suites @ Central is a freehold residential development located along a cul-de-sac at Devonshire Road, off Killiney Road. The Suites @ Central was completed in 2009 and comprises 157 units.

The development is located within walking distance of the prime Orchard Road hotel and shopping belt where amenities and entertainment facilities such as food centres, major shopping centres, cinemas and hotels can be found.

As at 31 March 2017 and the Latest Practicable Date, the PAI Group's residential properties are fully tenanted. The tenure for the residential properties range from one (1) to two (2) years, with an option to renew, in line with general market practice. Typically, three (3) months prior to expiry of the lease tenure, the PAI Group will commence discussions with the existing tenant over renewal of the lease. In the event the lease is not intended to be renewed, the available unit(s) will be put up in the market for rent.

4. PROSPECTS, TREND INFORMATION AND BUSINESS STRATEGIES

The following discussion on the PAI Group's prospects, trends and strategies includes forward looking statements that involve risks and uncertainties. Actual results could differ materially from those that may be projected in these forward looking statements. Please also refer to the section entitled "Cautionary Note Regarding Forward Looking Statements" of the Circular.

4.1 Market Overview and Prospects

A study of the Singapore office and residential market overview has been conducted by the Independent Market Researcher, Cushman & Wakefield VHS Pte Ltd, and the Market Report is reproduced below. While the Independent Market Researcher has provided its consent to the inclusion of its name and all references thereto and the Market Report in the form and context in which they are included in this Circular, we have not sought the consent of the entities listed in the Market Report nor have such entities listed provided their consent for the inclusion of the information set out in the Market Report. The entities listed in the Market Report are therefore not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we have taken reasonable steps to ensure that the information from the Market Report is reproduced in its proper form and context in this Appendix A, we have not conducted an independent review of the information or verified the accuracy or completeness of such information.

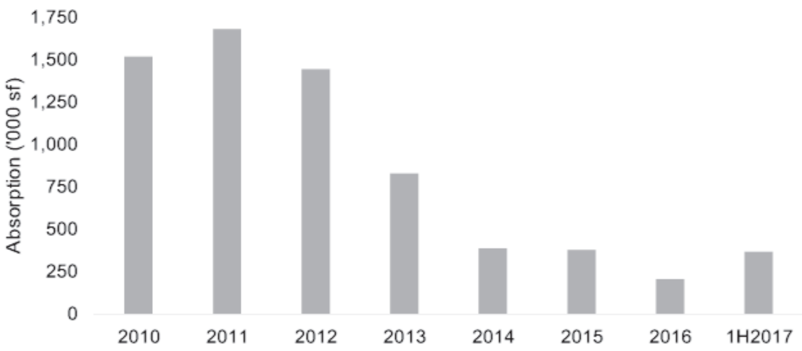
"***Singapore Office Market Overview 2Q2017***

Economic Indicators

Macro-economic indicators are favourable for the office market. According to the Ministry of Trade & Industry (MTI), Singapore's economy expanded by 2.9% y-o-y in 2Q2017, faster than the 2.5% growth in the preceding quarter. Meanwhile, office-using employment rose with an addition of 5,900 workers in 1Q2017, which is almost half of the full-year increase of 13,100 workers in 2016. MTI is projecting overall 2017 GDP growth to come in at 2.5%, which is at the higher end of its original forecast of 1-3%.

Leasing Market

Chart 1: Downtown Core & Orchard Net Absorption



Source: URA

Office leasing activity improved significantly in the first half of 2017. According to URA, the 1H2017 Downtown Core and Orchard net absorption amounted to 366,000 square feet (sf), more than the full-year absorption of 205,000 sf for 2016. This was attributed to robust leasing activity in new projects, with Marina One achieving a pre-commitment rate of 70% by the end of 2Q2017. Major deals in Marina One include Facebook inking a lease for 320,000 sf, Grab taking up 80,000 sf, and Ocean Network Express's lease for 50,000 sf. In addition, Macquarie was also reported to be in advanced negotiations for 40,000 sf. Meanwhile, Microsoft signed a lease for 125,000 sf at Frasers Tower.

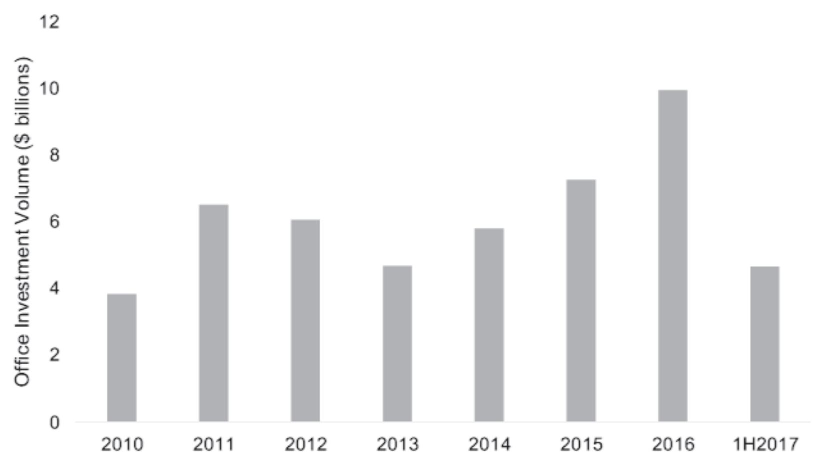
2Q2017 saw a supply influx totalling 1.2 million sf which comprised of UIC Building and Marina One East Tower. As M+S Pte Ltd had been channelling the majority of Marina One tenants into the East Tower, it obtained Temporary Occupation Permit (TOP) with a high occupancy rate of 85%. Consequently, the overall Grade A CBD vacancy rate rose by less than 1 percentage point in 2Q2017 to 6.1% despite the substantial new completions.

With business confidence strengthening on the back of the solid 2Q2017 GDP growth, a turnaround in market sentiment resulted in the first rental increase in nine quarters with overall Grade A CBD rents rising by 1.7% to $8.61 per sf per month (psf/mo) in 2Q2017. The rebound was led by premium buildings with Marina Bay rents surging 5.8% to $9.48 psf/mo. As market activity is currently concentrated in the new premium buildings in the core CBD, Orchard leasing activity remained flat in 2Q2017 with the Grade A Orchard vacancy rate rising slightly to 7.8% and Grade A Orchard rents remaining stable at $8.67 psf/mo.

Investment Market

Office investment sales amounted to $4.7 billion in the first half of 2017. Despite slower economic growth, office investment volume has been steadily increasing over the past few years. The office sector saw its highest ever annual volume of $10.0 billion in 2016, bolstered by big ticket transactions such as Asia Square Tower 1 and the Central Boulevard GLS site.

Chart 2: Office Investment Volume



Source: Cushman & Wakefield Research, found in (https://www.whatsnextcw.com/market-beat) as extracted on August 31, 2017

Notable CBD office transactions during the first half of 2017 include a 70% stake in TripleOne Somerset ($880.6 million), PWC Building ($747.0 million), a portion of office space at GSH Plaza ($663.5 million), and a 50% stake in One George Street ($591.6 million).

Outlook

Office leasing activity is expected to pick up as business sentiment continues to strengthen, with Grade A CBD rents projected to increase by up to 5% in 2017. As there will be a significant reduction in pipeline supply post-2017, the market is anticipated to experience stronger rental growth in subsequent years. Given the lack of new supply in the Orchard submarket until Park Mall is completed in 2019, Orchard rents are expected to remain fairly stable for the second half of 2017, followed by gradual increases in subsequent years as the office market strengthens on the back of improved local economic growth. Sectors with strong growth potential such as technology, insurance, serviced office and co-working will drive the recovery of the leasing market.

Office investment activity is anticipated to remain robust in the second half of 2017, with major deals in the pipeline such as Asia Square Tower 2 and the Beach Road GLS site. Investor demand for assets in Singapore is expected to remain healthy, particularly from long-term investors such as sovereign wealth funds and insurance firms given the stable political landscape and safe haven status of the Singapore market. Office capital values are projected to increase in tandem with rising rents, coupled with further compression of cap rates given the expected increase in demand and competition to secure quality assets in the market.

Singapore Residential Market Overview 2Q2017

Policy Changes Affecting Residential Property Sector

Since September 2009, the Singapore residential market has seen multiple rounds of cooling measures introduced by the Government, starting from the discontinuation of the interest absorption scheme and interest-only housing loans to the new mortgage rules that were introduced on and after 29 June 2013 which subsequently reduced residential sales volumes and price growth. Some of the tough measures include restricting the tenure of loans to a maximum of 35 years with an underlying condition to lower the Loan-to-Value limits (LTV) to 60% and 40% for the first and subsequent mortgages respectively for loan tenures extending beyond 30 years or the mortgagee's retirement age of 65 years old. Another round of cooling measures introduced on 12 January 2013 included the toughening of the Additional Buyer's Stamp Duty rates (ABSD) and the tightening of LTV limits on housing loans for individuals and companies who already have at least one outstanding loan and a larger percentage of minimum cash down payment for individuals applying for the second or subsequent housing loans.

In June 2013, the Monetary Authority of Singapore (MAS) introduced the Total Debt Servicing Ratio (TDSR) framework which applied to all property loans issued by financial institutions (FIs) to individuals. This new regulation required FIs to take into consideration the borrower's other outstanding debt obligations when granting property loans as such the monthly total debt servicing amount should not exceed 60% of the gross monthly income. MAS also refined rules relating to the application of the existing LTV limits on housing loans granted by FIs. The TDSR and ABSD were perhaps the most drastic, and continued to impact both sales volume and property prices across all residential market segments.

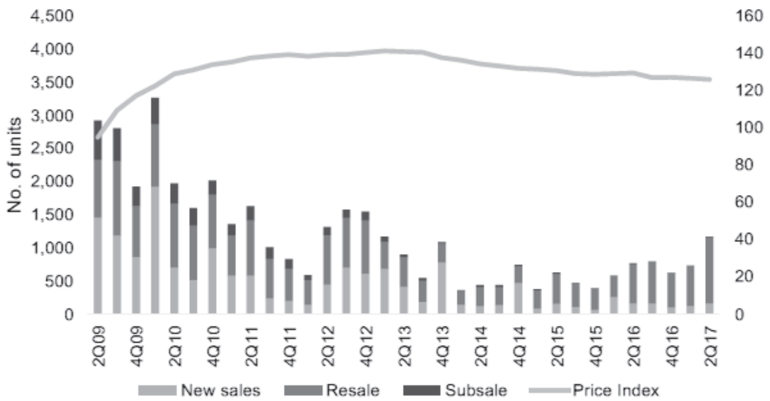
On 1 September 2016, the Government fine-tuned the TDSR framework to allow borrowers more flexibility in managing their debt obligations. Most recently in March 2017, the Government tightened up the loophole which enabled residential property purchases to avoid heavy conveyancing duties through buying of shares in the holding company of the properties. This was immediately followed by the relaxing of Seller's Stamp Duties (SSD) to holding periods of up to 3 years, down from the previous 4 years; and a reduction of SSD rates by 4% point for each tier.

At the same time, the Singapore Government reiterated that the cooling measures would remain for the time being and they would continue to monitor the property market closely and consider suitable adjustments to the cooling measures when necessary.

High-End Residential Segment

In Singapore, the term high-end or luxury properties refer to properties located in the Core Central Region (CCR). According to URA, the CCR comprises of postal district 9, 10, 11, Downtown Core and Sentosa.

Chart 3: High-End Residential Transactions and Price Index



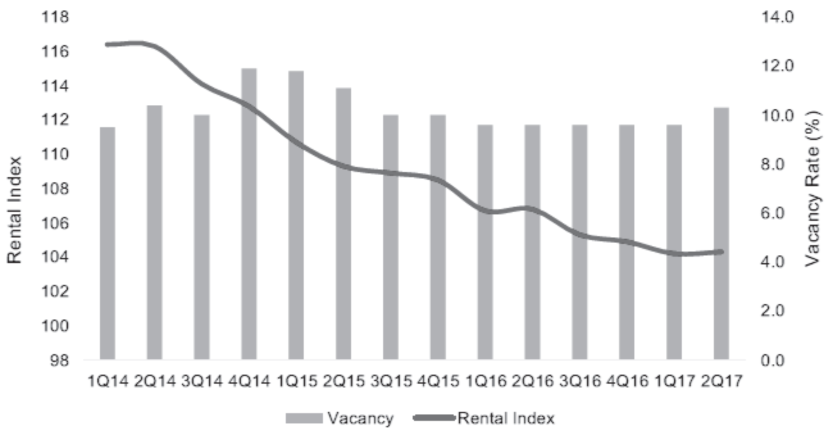
Source: URA

Demand for high-end residential properties has revived since the beginning of 2016. Data seems to suggest that high-end residential property prices may be stabilizing. Price decline moderated at a slower pace, at only 0.4% q-o-q in 1Q2017 and 0.5% q-o-q in 2Q2017, according to URA's price index for CCR. This is despite the cooling measures and loan curbs that have been put in place. Transaction volume for the quarter has also increased by 61% q-o-q and 52% y-o-y, boosted by improving sales in new projects and also in the resale market.

Earlier in 2016, there was substantial interest in delicensed projects, where a deferred payment scheme is available for projects such as OUE Twin Peaks, Peak @ Cairnhill II, and d'Leedon. A housing project may be delicensed if it has received Certificate of Statutory Completion, and individual strata titles have been issued to buyers. A delicensed project is not regulated by the Housing Developers (Control and Licensing) Act. Developers of delicensed projects do not have to disclose sales updates to URA and have more leeway to launch novel marketing schemes for these projects. Furthermore, any transactions involving delicensed projects would be classified under the resale category.

Bulk purchases increased as interests from institutional and high net worth buyers picked up while developers seek to offload the remaining units from their projects at a discount in an attempt to avoid the substantial Qualifying Certificate (QC) penalties. Some developers were making bulk purchases of condominium units by purchasing shares in a holding firm rather than buying the property directly in order to avoid stamp duty. However, this loop hole has been shut with latest rule changes in March 2017 which equalized the tax rates. Currently, a direct purchase of residential property would incur buyer's stamp duty of 3%, and up to 15% ABSD is imposed depending on the buyer's citizenship. Prior to the ruling, the buying of shares in a firm which owns the property would only incur a tax of only 0.2% of the firm's net asset value.

Chart 4: High-End Residential Rental Index and Vacancy Rate



Source: URA

Major corporates are expected to continually tighten housing allowances as companies tighten their expenditure. Currently, expatriates in Singapore are hired on local terms with limited housing allowances. This has drove an increasing number of expatriates to the city fringe or in suburban locations. Coupled with new injection of high-end residential projects, leasing demand for apartments in prime districts have been less favourable as compared to pre-2014 period. URA's rental index for CCR have since declined by 12% from the peak in 3Q2013. Vacancy rates have increased to 10.3% as at 2Q2017.

Outlook

The residential market has faced challenging times in recent years; nonetheless, a silver lining seemed to have appeared. With the recent relaxing of a couple of the cooling measures, there appeared to be more developers preparing to launch their projects, bolstered by the improvement in investor sentiments and a surge in new sales in March 2017. Developers have cut back on launching the remaining units in their projects in the hopes of raising selling prices next year. For instance, GuocoLand has trimmed the number of units put up for sale at its latest condominium Martin Modern, in what is seen as a bet on private residential prices reversing course after years of decline. Going forward, both local and overseas investors are likely to continue to keep a lookout for opportunistic deals in gateway cities and financial hubs such as Singapore.

On a more macro level, the global economic outlook remains murky with new uncertainties in various significant markets and key sectors. These include concerns that China's economic growth would continue to slow down in 2017 and their recent capital control regulations which might impede overseas investments; the impact of a post-Brexit United Kingdom; and the policies of the United States under a new presidency; all of which could affect Singapore as they are 3 of our largest trade partners.

Having said that, with the renewed interest in the Singapore residential property market, general prime residential properties prices in 2017 looks set to stabilise, barring any further deterioration in the domestic and global economy."

4.2 Trend Information

Based on the above Market Report and barring unforeseen circumstances, the director of PAI has observed the following trends for FY2018:

(a) Subject to the conditions of the property market and the general performance of the economy, the PAI Group's rental income is expected to remain stable; and

(b) Expenses are expected to remain stable, as they have during the Period Under Review.

Save as disclosed above, in the sections entitled "Risk Factors", "Management's Discussion and Analysis of Results of Operations and Financial Position of the PAI Group" and "Prospects, Trend Information and Business Strategies" of this Appendix A, to the best of his knowledge and barring any unforeseen circumstances, the director of PAI is not aware of any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the PAI Group's revenue, profitability, liquidity or capital resources.

4.3 Business Strategies

The PAI Group plans to adopt the following strategies to drive the future growth of the PAI Group:

Growth Strategy

The PAI Group intends to continue to expand its property investment business as and when the appropriate opportunities arise in Singapore. In evaluating such investment opportunities, the PAI Group will assess and consider factors including (but not limited to) whether the asset can generate a stable stream of rental income; the potential for capital appreciation; whether the asset will help diversify the overall portfolio of properties by geography, asset and tenant profile, and optimises risk-adjusted returns; and whether it has sufficient financial resources to invest in the asset.

Active Asset Management and Divestment Strategy

The PAI Group will pro-actively implement measures to improve the returns from the PAI Properties and will manage and improve the leasing profile of the PAI Properties. Such measures include taking active steps in the leasing and marketing of vacancies and expiring leases, managing and communicating with tenants, mitigating risks relating to new leases and lease renewals, implementing programmes for regular maintenance and upgrading of properties and asset refurbishment and enhancement initiatives. Through these active management strategies, the PAI Group endeavours to retain existing anchor tenants, mitigate the risks on renewal or expiry of leases and to establish long-term landlord-tenant relationships.

When appropriate, the PAI Group also intends to divest some of its assets to free up capital for re-deployment towards better investment opportunities. The PAI Group will take into consideration and evaluate the disposal price and other relevant factors prior to undertaking such divestments.

5. RISK FACTORS

Following Completion, the Enlarged Group faces a number of risks some of which could be substantial, including market, liquidity, credit, operational, legal and regulatory risks. Shareholders should evaluate carefully the information in this section entitled "Risk Factors", and the other information in the Circular before deciding on the Proposed Acquisition and how to cast their votes at the EGM.

The risk factors set out in this section entitled "Risk Factors" are not the only risks which the Enlarged Group faces. Some risks are not yet known to the Group, the PAI Group and/or the Vendor, and there may be others which they currently believe are not material but may subsequently turn out to be so. Factors that affect the price of Shares may change and the risk factors set out in this section should not be construed as a comprehensive listing of all the risk factors and the listing is not set out in any particular order. Following Completion, the risk factors in relation to the PAI Group will also be relevant to the Enlarged Group.

If any of the considerations, risks and uncertainties set out in this section entitled "Risk Factors" develop into actual events, the financial position, results, cash flow, performance, business operations and prospects of the Enlarged Group could be, directly or indirectly, materially and adversely affected. In the event that any of the foregoing occurs, the trading price of the Shares could fluctuate and/or decline and Shareholders may lose all or part of their investment in the Shares.

The Circular and this Appendix A also contains forward-looking statements that involve risks, uncertainties and assumptions. The actual results could differ materially from those anticipated or implied in these forward-looking statements as a result of certain factors described in this section. Please also refer to the section entitled "Cautionary Note Regarding Forward Looking Statements" of the Circular.

5.1 Risk Factors relating to the PAI Group

The PAI Group's business is subject to the performance of the property industry in Singapore

The PAI Group's current portfolio consists of investment properties in Singapore. Its business is therefore subject to the performance of the property market in Singapore. The demand for the properties could be adversely affected by, amongst others, any of the following:

- weakness in the local economy;
- competition from other property developers and property investment companies;

- demand and supply for properties;
- adverse changes in government regulations;
- absence or tightening of financing for purchase of properties; and
- higher interest rates.

The occurrence of any or a combination of these factors will likely adversely impact the demand and rental yield of the PAI Properties, which will then likely adversely affect the business, financial condition, results of operations and prospects of the PAI Group. The PAI Group may also incur losses when its properties are left vacant in a depressed market. In the event that the PAI Group is unable to lease the properties, the PAI Group may incur holding costs, including interest and maintenance costs. In such instance, the PAI Group's profitability will be adversely affected.

As all the PAI Group's investment properties are located in Singapore, the success of the business is hence dependent on the growth of the local economy generally and the real estate sector in Singapore.

The PAI Group's business is subject to risks associated with debt financing

Due to the large capital requirements for the acquisition of investment properties, the PAI Group may finance all or a substantial portion of the acquisition of properties through bank loans and credit facilities. Please refer to the section entitled "Capitalisation and Indebtedness" of this Appendix A for further details. Presently, the credit facilities of the PAI Group are secured by the PAI Properties, the rental proceeds derived from the rental of the PAI Properties and personal guarantees provided by Dr. Nico Purnomo Po. In the event that the PAI Group is unable to secure adequate financing at terms and conditions acceptable to the PAI Group, or if the PAI Group is unable to service the principal and interest payments on the financing, it may be the subject of claims by lenders seeking to recover their loans and seeking to enforce the mortgage over the investment properties on which these loan facilities are secured against. Any material increase in interest rates would also increase the PAI Group's cost of borrowing and financing costs, which may thus weaken its ability to obtain further future financing.

Further, debt financing may restrict the PAI Group's freedom to operate its business as it may have conditions that:

(a) limit the PAI Group's ability to pay dividends or require it to seek consent for the payment of dividends;

(b) increase the PAI Group's vulnerability to general adverse economic and industry conditions;

(c) require the PAI Group to dedicate a portion of its cash flow from operations to repayment of its debt, thereby reducing the availability of the PAI Group's cash flow for capital expenditures and working capital; and

(d) limit the PAI Group's flexibility in planning for, or reacting to, changes in its business and industry.

Any disruptions, volatility or uncertainty of the credit markets could limit the PAI's Group ability to borrow funds or cause its borrowings to be more expensive. As such, the PAI Group may be forced to pay higher interest rates, thereby decreasing its profitability and reducing its financial flexibility if the PAI Group takes on additional debt financing.

The PAI Group recorded net current liabilities during the Period Under Review

As at 31 March 2015, 2016 and 2017, the PAI Group recorded net current liabilities of S$90.2 million, S$88.2 million, and S$84.9 million respectively. The net current liabilities position during the Period Under Review mainly resulted from the PAI Group's loans and borrowings, which comprise entirely of revolving credit facilities. Please see further information on the PAI Group's net current liabilities position during the Period Under Review in Section 9.1, entitled "Audited Financial Statements of the PAI Group" of the Circular. The PAI Group cannot assure that it will be able to raise the necessary funds by borrowing from financial institutions to finance its business, operations and capital expenditure in the future. In the event that the financial institutions providing existing banking and credit facilities do not continue to extend similar or more favourable facilities to the PAI Group and it fails to obtain alternative banking and credit facilities on reasonable terms, or at all, the PAI Group's business, financial condition and operating results may be adversely affected.

The PAI Group may be adversely affected by changes in laws and regulations affecting the property sector in Singapore

The PAI Group's business is subject to various laws and regulations in Singapore. Any changes in such regulations applicable to it may have a negative impact on the PAI Group's business and operations. In addition, any failure or delay to comply with these laws and regulations could result in the imposition of fines or other penalties by the relevant authorities.

In particular, the PAI Group's business is affected by policies implemented by the Singapore Government and Monetary Authority of Singapore such as the Total Debt Servicing Ratio ("**TDSR**") and Loan-to-Value ("**LTV**") Ratio. TDSR limits the total amount a home buyer can borrow based on their monthly income while LTV Ratio restricts the amount of housing loan that may be taken based on the property's valuation. Other property market cooling measures implemented include the Additional Buyer's Stamp Duty which imposes additional tax on Singaporeans who already own one residential property, as well as foreigners and permanent residents buying residential properties.

The market values of the PAI Properties may differ from their values as determined by the Independent Valuer

Property valuations generally include a subjective determination of certain factors relating to the relevant properties, such as their relative market positions, their financial and competitive strengths and their physical conditions. There can be no assurance that the assumptions relied on are accurate measures of the market. The market values of the PAI Properties may therefore differ from the values of the PAI Properties as determined by the Independent Valuer.

The values of the PAI Properties (as determined by the Independent Valuer) are not an indication of, and do not guarantee, a sale price at that value at present or in the future. The price at which the PAI Properties are sold may be lower than the value as determined by the Independent Valuer or the purchase price at the time of acquisition by the PAI Group.

The loss of tenants or a downturn in the business of key tenants may have an adverse effect to the PAI Group

The PAI Group may be adversely affected by the bankruptcy, insolvency or downturn in the business of its key tenants, including their decision not to renew any lease or to terminate any lease before it expires. The renewal of lease agreements with the tenants will also depend on its ability to negotiate lease terms acceptable to both parties. There is no assurance that all or any of PAI Group's tenants, including the key tenants, will renew or continue to renew their lease agreements, or that the new or renewed lease terms will be as favourable to the PAI Group as the existing leases.

In the event that any tenant does not renew its lease, the PAI Group will need to find new tenant(s), which could subject the PAI Properties to periods of vacancy and/or refitting for which the PAI Group would not receive rental income. In addition, there is no assurance that any substitute leases would be on terms that are as favourable as the existing leases.

The PAI Group may be adversely affected by the illiquidity of real estate investments

PAI Group invests primarily in real estate. This involves a higher level of risk as compared to a portfolio which has a diverse range of investments. Real estate investments, particularly investments in high value properties, are relatively illiquid. Such illiquidity may affect PAI Group's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, real estate market or other conditions. For instance, the PAI Group may be unable to liquidate its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. Moreover, the PAI Group may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on PAI Group's financial condition and results of operations, with a consequential adverse effect on PAI Group's ability to make regular and stable distributions.

5.2 Risk Factors arising from the Proposed Acquisition relating to the Enlarged Group

Existing Shareholders will face shareholding dilution following Completion and may experience further dilution

Completion will result in immediate dilution to the shareholdings of the existing Shareholders as a result of the allotment and issuance of the Consideration Shares to the Vendor.

The Company may also undertake the Compliance Placement to satisfy the public float requirement of the Catalist Rules, which will lead to further dilution of the existing Shareholders' shareholding in the Company.

The Company may also issue new shares or convertible securities, share options or share awards under any employee share schemes that may be implemented after Completion. This may lead to further dilution to the shareholdings of the existing Shareholders.

Concentration of control

The Vendor, which is an existing Controlling Shareholder, will obtain greater majority control over the Company after Completion, which will enable the Vendor to influence the outcome of matters submitted to Shareholders for approval. The Vendor will effectively have veto power with respect to any Shareholder action or approval requiring a special resolution. Such concentration of ownership will place the Vendor in a position to significantly affect corporate actions in a manner that could conflict with the interests of public Shareholders and may also have the effect of delaying, preventing or deterring a change in control of the Company, which may otherwise have benefited the public Shareholders.

Sale of Shares by the Vendor

Following the expiry of the moratorium period, all Shares owned by the Vendor will be eligible for sale in the open market, subject to applicable securities laws and regulations. The market price of the Shares could decline as a result of the sales of such Shares in the market. These sales, or the possibility that these sales may occur, might also make it more difficult for the Company to issue new securities in the future at a time and price that it deems appropriate.

The Enlarged Group may not be able to pay dividends in the future

The Enlarged Group's ability to declare dividends to Shareholders in the future will be contingent on its future financial performance and distributable reserves of the Company. This is in turn dependent on its ability to implement its future plans, and on regulatory, competitive and technical factors and other factors such as general economic conditions and other factors exclusive to the property investment industry. Any of these factors could have a material adverse effect on the Enlarged Group's business, financial position and results of operations, and hence there is no assurance that the Enlarged Group will be able to pay dividends to Shareholders after the completion of the Proposed Acquisition.

Further, in the event that the Enlarged Group is required to enter into any loan arrangements with any financial institutions, covenants in the loan agreements may also limit when and how much dividends the Enlarged Group can declare and pay out.

The trading price of the Shares may be volatile, which could result in losses for investors

The trading price of the Shares may fluctuate significantly and rapidly as a result of, *inter alia*, the following factors, some of which are beyond the control of the Company and the Enlarged Group:

(a) the success or failure of the Enlarged Group's management team in implementing business and growth strategies;

(b) announcements by the Company of significant contracts, acquisitions, strategic alliances or capital commitments;

(c) changes in the Enlarged Group's operating results;

(d) involvement in litigation;

(e) any negative publicity on the Enlarged Group;

(f) unforeseen contingent liabilities of the Enlarged Group;

(g) addition or departure of key personnel;

(h) fluctuations in share prices of companies with similar business to the Company that are listed in Singapore;

(i) differences between the actual financial operating results of the Enlarged Group and those expected by investors;

(j) foreign exchange fluctuations and translations; and

(k) general economic and stock market conditions.

The trading price of the Shares may also, in some instances, fluctuate based upon factors that have little or nothing to do with the Company, and these fluctuations may materially affect the price of its Shares. For these reasons, amongst others, the Shares may also trade at prices that are higher or lower than the net asset value per Share.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION OF THE PAI GROUP

The following discussion of the results of operations and financial position of the PAI Group should be read in conjunction with the full text of the Circular, including the following:

(a) Section 9.1 of the Circular entitled "Audited Financial Statements of the PAI Group";

(b) The full text of this Appendix A: Information on the PAI Group;

(c) Appendix D: Independent Auditor's Report on the Audited Consolidated Financial Statements of the PAI Group for FY2015 and FY2016;

(d) Appendix E: Independent Auditor's Report on the Audited Consolidated Financial Statements of the PAI Group for FY2017; and

(e) Appendix F: Report on the Compilation of Unaudited Pro Forma Financial Information of the Enlarged Group for FY2017.

This discussion contains forward-looking statements that involve risks and uncertainties. The actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Circular, particularly in the section entitled "Risk Factors" of this Appendix A. Under no circumstances should the inclusion of such forward-looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Company. Shareholders are cautioned not to place undue reliance on these forward-looking statements that speak only as at the date hereof. Please refer to the section entitled "Cautionary Note on Forward Looking Statements" of the Circular for more details.

6.1 Overview

PAI is a single-purpose investment holding company incorporated in the BVI and is primarily involved in the business of property investment through the PAI Subsidiaries which hold the PAI Properties. The PAI Properties comprise commercial and residential properties located in prime locations in Singapore, including the iconic MacDonald House at 40A Orchard Road. The main business activity of the PAI Group is the ownership and the renting of the PAI Properties, and there are no other substantial assets or liabilities or ongoing business activities being carried out.

Revenue

During the Period Under Review, the PAI Group's revenue is derived from: (i) rental income generated from the leasing of investment properties (the commercial building and several residential properties), (ii) season parking income from the carpark lots of the commercial building, (iii) advertising income derived from display of signages, (iv) fees collected for the use of air conditioners outside the stipulated business hours of the commercial building, and (v) electricity fee income.

Rental income generated from the leasing of investment properties is accounted for on a straight-line basis over the lease terms while season parking income, advertising income, income from extended use of air conditioners and electricity fee income are recognised in the period in which the services are rendered.

Please refer to the sections entitled "Risk Factors" and "Prospects, Trend Information and Business Strategies" of this Appendix A for major factors that may affect revenue of the PAI Group.

Other income

Other income mainly comprises the fair valuation gain from the revaluation of investment properties, income obtained from the early termination of rental as well as a one-off gain on any divestment.

Operating expenses

Operating expenses mainly consists of major expenses such as general and administrative expenses as well as marketing and distribution expenses.

General and administrative expenses mainly involved the upkeep and maintenance cost for the investment properties, management fees charged by the property management company, insurance fees, professional and consultancy fees, and property tax.

Marketing and distribution expenses mainly comprises the commission fees payable to third party property agents for securing new tenant(s) or the renewal of the contract with the existing tenant(s). The commission payable to the property agents is based on the prevailing market rates, which equates to approximately half a month's rental amount for every year of tenancy period secured.

Finance costs

Finance cost relates to interests incurred on bank loans and borrowings as well as bank charges.

Income tax expense

The PAI Group is based in Singapore and the PAI Subsidiaries (including the PAI Subsidiaries which are incorporated in the BVI) are subject to statutory income tax at the applicable statutory corporate tax rate in Singapore. The applicable tax rate in Singapore was 17% of taxable income during the Period Under Review.

Income tax expense and overall effective income tax rates of the PAI Group during the Period Under Review are as follows:

	FY2015	FY2016	FY2017
Income tax expense (S$)	385,588	1,821,746	995,697
PBT (S$)	6,249,690	4,726,313	37,769,584
Effective tax rate (%)	6.2	38.5	2.6

In FY2015, the effective tax rate of 6.2% was lower than the prevailing statutory tax rate in Singapore mainly due to the gain from the revaluation of investment properties which was not subject to taxation. In FY2016, the effective tax rate of 38.5% was higher than the prevailing statutory tax rate in Singapore mainly due to the underprovision of taxation in the previous year. In FY2017, the effective tax rate of 2.6% was lower than the prevailing statutory tax rate in Singapore mainly due to the revaluation of investment properties which was not subject to taxation.

6.2 Review of Results of Operations

FY2015* vs *FY2016

Revenue

Revenue increased by 9.9% or S$0.9 million from S$9.2 million in FY2015 to S$10.1 million in FY2016. The increase was mainly due to the commercial and residential units being fully tenanted in FY2016 compared to a unit in the commercial building which was vacant in FY2015.

Rental income comprises of income derived from the leasing of the commercial and residential properties and it amounted to S$8.9 million and S$9.8 million or 97.0% and 97.4% of revenue in FY2015 and FY2016 respectively. Rental income from the commercial property accounted for S$7.7 million and S$8.7 million or 86.7% and 88.6% of rental income in FY2015 and FY2016 respectively. Rental income from the residential properties accounted for S$1.2 million and S$1.1 million or 13.3% and 11.4% of rental income in FY2015 and FY2016 respectively.

Other income

Other income decreased by 99.7% or S$2.6 million from S$2.6 million in FY2015 to approximately S$7,000 in FY2016. The decrease was mainly due to the absence of a one-off gain of S$2.4 million from the restructuring exercise of the PAI Group in FY2015 and the early termination income of S$0.2 million obtained from one of the tenants of the commercial building.

Operating expenses

Operating expenses remained relatively stable at S$5.5 million and S$5.3 million in FY2015 and FY2016 respectively. In FY2016, there was an increase in bank term loan interest of S$0.6 million due to higher interest rate being levied on the bank loans. This increase was partially offset by the absence of fair value loss on investment properties of S$0.5 million in FY2015, a decrease in commission expenses S$0.1 million and a decrease in building repair and maintenance expenses of S$0.1 million.

Profit before tax

As a result of the above, PBT decreased by 24.4% or S$1.5 million from S$6.2 million in FY2015 to S$4.7 million in FY2016.

FY2016* vs *FY2017

Revenue

Revenue remained relatively stable at S$10.0 million in both FY2016 and FY2017.

Rental income comprises of income derived from the leasing of the commercial and residential properties and it amounted to S$9.8 million and S$9.7 million or 97.5% and 97.8% of revenue in FY2016 and FY2017 respectively. Rental income from the commercial property accounted for S$8.7 million and S$8.7 million or 88.6% and 89.2% of rental income in FY2016 and FY2017 respectively. Rental income from the residential properties accounted for S$1.1 million and S$1.0 million or 11.4% and 10.8% of rental income in FY2016 and FY2017 respectively.

Other income

Other income increased significantly from approximately S$20,000 to S$33.7 million, mainly due to fair value gain of S$33.5 million on revaluation of investment properties in FY2017.

Other items of expenses

General and administrative expenses

General and administrative expenses increased by 7.3% or S$0.2 million from S$2.2 million in FY2016 to S$2.4 million in FY2017. The increase was mainly due to an increase in the property tax of S$0.3 million and an increase in the depreciation of plant and equipment of S$0.1 million arising from the additions in FY2017, partially offset by a decrease in building repair and maintenance of S$0.1 million and a decrease in upkeep of buildings of S$0.1 million.

Marketing and distribution expenses

Marketing and distribution expenses increased by 163.2% or approximately S$44,000 from approximately S$27,000 in FY2016 to approximately S$71,000 in FY2017, mainly due to an increase in the commission paid to the property agents for securing new tenants for residential properties.

Finance costs

Finance costs increased by 10.3% or S$0.3 million from S$3.1 million in FY2016 to S$3.4 million in FY2017, mainly due to a higher interest rate applied for a longer period in FY2017.

Profit before tax

As a result of the above, PBT increased by 699.1% or S$33.1 million from S$4.7 million in FY2016 to S$37.8 million in FY2017.

6.3 Review of Financial Position

FY2015 vs FY2016

Non-current assets

Non-current assets comprise investment properties and plant and equipment. Non-current assets amounted to S$252.4 million, which accounted for 79.2% of total assets as at 31 March 2016 and S$251.5 million, which accounted for 74.9% of total assets as at 31 March 2015.

There was an increase of S$0.9 million in the non-current assets in FY2016, mainly due to the acquisition of additional plant and equipment during FY2016.

Current assets

Current assets comprise investments in quoted securities, trade receivables, non-trade receivables from the holding company and related parties, other receivables, deposits and prepayments, and cash at banks. Current assets amounted to S$66.2 million, which accounted for 20.8% of total assets as at 31 March 2016 and S$84.4 million, which accounted for 25.1% of total assets as at 31 March 2015.

There was a decrease of S$18.2 million in the current assets in FY2016, mainly due to the combined effects of the following:

(a) a decrease in non-trade receivables from related parties of S$74.4 million in FY2016, mainly due to the debts of S$56.0 million assigned to holding company, the Vendor, and net off against the non-trade payables to related parties during FY2016;

(b) an increase in non-trade receivables from holding company of S$56.0 million in FY2016 as explained in (a) above;

(c) a decrease in other receivables, deposits and prepayments by S$0.2 million, mainly due to reclassification of deposits for purchase of plant and equipment to plant and equipment in FY2016; and

(d) an increase in cash at banks of S$0.4 million in FY2016.

Non-current liabilities

Non-current liabilities comprises deferred tax liabilities only. The deferred tax liabilities remained the same at approximately S$2,000 as at 31 March 2015 and 31 March 2016.

Current liabilities

Current liabilities comprise trade payables, non-trade payables to a director and related parties, other payables, deposits and accruals, bank term loans and provision for taxation. Current liabilities amounted to S$154.4 million and S$174.5 million as at 31 March 2016 and 31 March 2015 respectively.

Current interest-bearing bank loans as at 31 March 2016 and 31 March 2015 remained relatively stable at S$150.2 million. These bank loans were drawn down from the revolving credit facilities of a bank and are secured against the respective investment properties and guaranteed by Dr. Nico Purnomo Po who is the Chief Executive Officer, Director and Controlling Shareholder of the Company and also the director of PAI.

There was a decrease of S$20.2 million in the current liabilities in FY2016, mainly due to the following:

(a) a decrease in non-trade payables to related parties of S$19.4 million in FY2016, mainly due to the netting off against non-trade receivables from related parties during FY2016; and

(b) a decrease in other payables, deposits and accruals of S$0.8 million in FY2016, mainly attributable to a reduction in accruals and rental deposits of S$0.3 million and S$0.5 million respectively.

Shareholders' equity

Shareholders' equity stood at S$164.2 million and S$161.3 million as at 31 March 2016 and 31 March 2015 respectively.

FY2016 vs FY2017

Non-current assets

Non-current assets comprise investment properties and plant and equipment. Non-current assets amounted to S$285.8 million, which accounted for 80.5% of total assets as at 31 March 2017 and S$252.4 million, which accounted for 79.2% of total assets as at 31 March 2016.

There was an increase in the non-current assets of S$33.5 million in FY2017, mainly due to the fair value gain on investment properties.

Current assets

Current assets comprise investment securities, trade receivables, non-trade receivables due from holding company and related parties, other receivables and deposits, prepaid operating expenses and cash and cash equivalents. Current assets amounted to S$69.4 million, which accounted for 19.5% of total assets as at 31 March 2017 and S$66.2 million, which accounted for 20.8% of total assets as at 31 March 2016.

There was an increase in the current assets of S$3.2 million in FY2017, mainly due to the combined effects of the following:

(a) an increase in trade receivables of S$0.3 million in FY2017, mainly due to rental income earned in FY2017 but was received in the subsequent financial year; and

(b) an increase in cash and cash equivalents of S$2.8 million in FY2017.

Current liabilities

Current liabilities comprise trade payables, deferred revenue, advance rental received, non-trade payable to a director, other payables, deposits and accruals, loans and borrowings and provision for taxation.

Current interest-bearing bank loans amounted to S$149.7 million and S$150.2 million as at 31 March 2017 and 31 March 2016 respectively. These bank loans were drawn down from the revolving credit facilities of a bank and are secured against the respective investment properties and guaranteed by Dr. Nico Purnomo Po who is the Chief Executive Officer, Director and Controlling Shareholder of the Company and also the director of PAI.

There was a slight decrease of S$0.1 million in the current liabilities in FY2017, mainly due to the following:

(a) a decrease in trade payables of S$0.1 million in FY2017, mainly due to prompt payments made to trade suppliers;

(b) a decrease in loans and borrowings of S$0.6 million in FY2017, mainly due to the repayment of bank loans;

(c) an increase in deferred revenue of S$0.3 million in FY2017, due to the advance billings for the rental income in FY2018;

(d) an increase in other payables, deposits and accruals of S$0.1 million in FY2017, mainly due to an increase in accrued operating expenses; and

(e) an increase in provision for taxation of S$0.1 million in FY2017.

Shareholders' equity

Shareholders' equity stood at S$201.0 million and S$164.2 million as at 31 March 2017 and 31 March 2016 respectively.

6.4 Liquidity and Capital Resources

PAI's growth and operations are funded by a combination of internal and external sources of funds. The internal sources of funds comprise mainly of net cash generated from operating activities and cash and cash equivalents while external sources comprise mainly of financing facilities granted by the financial institutions. The principal uses of these funds are for working capital requirements and capital expenditures.

As set out in Section 9 of the Circular entitled "Financial Information on the PAI Group and the Enlarged Group" and Section 5.1 of this Appendix A entitled "Risk Factors relating to the PAI Group", the PAI Group recorded net current liabilities position during the Period Under Review. Following the completion of the acquisition of the PAI Group, the Company has plans to refinance the loan taken by one of the PAI Subsidiaries, Tinifia Investment Pte. Ltd. with DBS Bank Ltd and the disbursement of the loan is expected to occur in the fourth quarter of 2017. Currently, the nature of the loan facilities obtained by the PAI Subsidiaries is of a revolving credit facility type. With the refinancing of the loan by Tinifia Investment Pte. Ltd., the maturity profile of such loan will be changed to a long term tenor of 7 years. The PAI Group also intends to refinance other loans obtained by other PAI Subsidiaries.

Based on the audited financial statements for FY2015, FY2016 and FY2017, the PAI Group generated positive cash flow from operating activities of S$8.6 million, S$5.6 million and S$3.5 million respectively. After taking into consideration the cash flow used in investing activities as well as financing activities, the PAI Group still recorded an increase in net cash flow of S$6.0 million, S$0.4 million and S$2.8 million in FY2015, FY2016 and FY2017.

	Audited FY2015 S$	**Audited FY2016 S$**	**Audited FY2017 S$**
Net cash flows from operating activities	8,620,158	5,558,964	3,486,547
Net cash flows from/(used in) investing activities	780	(1,042,211)	(81,631)
Net cash flows used in financing activities	(2,596,550)	(4,121,139)	(557,815)
Net increase in cash and cash equivalents	**6,024,388**	**395,614**	**2,847,101**
Cash and cash equivalents at beginning of financial year	3,440,420	9,464,808	9,860,422
Cash and cash equivalents at end of financial year	**9,464,808**	**9,860,422**	**12,707,523**

FY2015

Net cash flows from operating activities

In FY2015, the PAI Group recorded net cash flows from operating activities of S$8.6 million, which comprised mainly operating cash flows before working capital changes of S$7.0 million, net working capital inflow of S$1.0 million and income tax refunded of S$0.6 million.

The working capital inflow was mainly due to an increase in trade and other payables of S$1.2 million, partially offset by an increase in trade and other receivables of S$0.2 million.

Net cash flows used in financing activities

In FY2015, the PAI Group recorded net cash flows used in financing activities of S$2.6 million, which comprised mainly of the repayment of bank term loans and bank term loans' interest of an aggregate of S$2.8 million, partially offset by the advance of S$0.2 million from related parties.

As at 31 March 2015, the PAI Group's cash and cash equivalents amounted to S$9.5 million.

FY2016

Net cash flows from operating activities

In FY2016, the PAI Group recorded net cash flows from operating activities of S$5.6 million, which comprised mainly operating cash flows before working capital changes of S$8.0 million, net working capital outflow of S$0.7 million and income tax payment of S$1.8 million.

The working capital outflow was mainly due to a decrease in other payables of S$0.8 million, partially offset by a decrease in other receivables of S$0.1 million.

Net cash flows used in investing activities

In FY2016, the PAI Group recorded net cash flows use in investing activities of S$1.0 million, which mainly consisted of purchase of plant and equipment.

Net cash flows used in financing activities

In FY2016, the PAI Group recorded net cash flows used in financing activities of S$4.1 million, which comprised mainly of the repayment of bank term loans' interest of S$3.1 million and the repayment of the advance from related parties of S$1.1 million.

As at 31 March 2016, the PAI Group's cash and cash equivalents amounted to S$9.9 million.

FY2017

Net cash flows from operating activities

In FY2017, the PAI Group recorded net cash flows from operating activities of S$3.5 million, which comprised operating cash flows before working capital changes of S$7.8 million, net working capital outflow of approximately S$32,000, interest payment of S$3.4 million and income tax payment of S$0.9 million.

The working capital outflow was mainly due to an increase in trade receivables of S$0.4 million and a decrease in trade payables of S$0.1 million, partially offset by an increase in other payables and accruals of S$0.1 million as well as an increase in deferred revenue of S$0.3 million.

Net cash flows used in investing activities

In FY2017, the PAI Group recorded net cash flows used in investing activities of S$0.1 million, which mainly comprised purchase of plant and equipment of S$0.2 million, partially offset by a decrease in amount due from holding company of S$0.1 million.

Net cash flows used in financing activities

In FY2017, the PAI Group recorded net cash flows used in financing activities of S$0.6 million mainly for the repayment of loans and borrowings.

As at 31 March 2017, the PAI Group's cash and cash equivalents amounted to S$12.7 million.

6.5 Capitalisation and Indebtedness

The following table shows the cash and cash equivalents as well as capitalisation and indebtedness of the PAI Group:

	As at 31 March 2017 S$
Cash and cash equivalents	**12,707,523**
Indebtedness	
Current	
– Secured and guaranteed	**149,652,703**
Total indebtedness	**149,652,703**
Total shareholders' equity	**200,955,119**
Total capitalisation and indebtedness	**350,607,822**

Since 1 April 2017 and up to the Latest Practicable Date, there were no material changes in the PAI Group's total capitalisation and indebtedness except for changes in the PAI Group's retained earnings arising from day-to-day operations in the ordinary course of its business.

Credit Facilities

As at the Latest Practicable Date, the PAI Group's credit facilities (utilised and unutilised) were as follows:

Financial Institution	Type of Facility	Facility Amount (S$)	Utilised Amount (S$)	Unutilised Amount (S$)	Interest Rates Per Annum	Maturity Profile
Deutsche Bank AG Singapore Branch	6 revolving credit facilities, with each credit facility extended to each of the PAI Subsidiaries	Up to 170,653,125[(2)]	149,652,703	21,000,422	0.75% or 1.50% + floating rate[(1)]	Monthly revolving

Notes:

(1) Based on the bank's prime rate or cost of funds or Singapore Inter-Bank Offer Rate (SIBOR) (as applicable).

(2) One of the facilities granted is in United States dollar of US$93,750,000 and hence, a foreign exchange rate of US$1.00 to S$1.3467 as at the Latest Practicable Date was applied to derive at the facility amount in Singapore dollar.

As at the Latest Practicable Date, the above credit facilities are secured by one or several of (i) the respective PAI Properties, (ii) rental proceeds from the respective PAI Properties, and (iii) personal guarantees provided by Dr. Nico Purnomo Po.

As at the Latest Practicable Date, the PAI Group has received a letter of offer from DBS Bank Ltd for the refinancing of the credit facility of Tinifia Investments Pte. Ltd. for MacDonald House. The disbursement of such loan is expected to occur in the fourth quarter of 2017 and the existing credit facility with Deutsche Bank AG Singapore Branch will be terminated upon the disbursement of loan by DBS Bank Ltd.

To the best of the director of PAI's knowledge, as at the Latest Practicable Date, the PAI Group is not in breach of any terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the PAI Group's financial position and results of operations or the investments by shareholder of PAI. There are no restrictions placed on the PAI Group on the use of the above credit facilities.

Save as disclosed above, as at the Latest Practicable Date, the PAI Group has no other borrowings or indebtedness in the nature of borrowings.

6.6 Capital Expenditures and Divestments

The PAI Group's capital expenditures during the Period Under Review and for the period from 1 April 2017 up to the Latest Practicable Date are as follows:

	FY2015 S$	FY2016 S$	FY2017 S$	1 April 2017 up to the Latest Practicable Date S$
Plant and equipment	–	302,734	175,266	–
Office equipment	–	3,640	–	–
Motor vehicles	–	749,312	–	–
Total	–	1,055,686	175,266	–

The above capital expenditure was primarily financed by internally generated cash resources.

There were no capital divestments during the Period Under Review and for the period from 1 April 2017 up to the Latest Practicable Date.

6.7 Commitments

Capital Commitments

As at the Latest Practicable Date, the PAI Group has no material capital commitments.

Operating Lease Commitments – As Lessor

The PAI Group has entered into various operating lease agreements for the PAI Properties. These non-cancellable leases have an average tenure of one (1) to four (4) years with an option to renew the lease subsequent or nearing to the end of the tenure. Lease payments are usually revised at each renewal date to reflect the market rate.

Future minimum rentals receivable under non-cancellable operating leases as at 31 March of the respective FY and as at the Latest Practicable Date are as follows:

	As at 31 March			As at the Latest Practicable Date
	2015 S$	2016 S$	2017 S$	S$
Not later than 1 year	5,476,022	9,832,457	9,314,838	7,569,708
Later than 1 year but not later than 5 years	4,941,893	7,421,364	7,095,968	5,242,610
	10,417,915	17,253,821	16,410,806	12,812,318

6.8 Contingent Liabilities

As at the Latest Practicable Date, the PAI Group has no contingent liabilities.

6.9 Foreign Exchange Management

PAI's financial statements are prepared in Singapore dollars. As the PAI Group's operations are in Singapore and their revenue and purchases are conducted in Singapore dollars, the PAI Group is not subject to foreign exchange fluctuation. Similarly, the PAI Group's assets and liabilities are recorded in Singapore dollars and it is not exposed to foreign exchange translation.

6.10 Inflation

The PAI Group's financial performance during the Period under Review was not materially affected by inflation.

6.11 Seasonality

The PAI Group generally does not experience any significant seasonality patterns in demand for the rental during the course of any particular year.

6.12 Significant Accounting Policy Changes

The accounting policies have been consistently applied by the PAI Group during the Period Under Review. A number of new standards, amendments to standards and interpretations to the International Financial Reporting Standards have been issued and are effective for annual periods beginning on or after 1 April 2017, and as such, have not been applied in preparing these financial statements. Please refer to the sections entitled "Significant Accounting Policies" and "Summary of significant accounting policies" in the Independent Auditors' reports as set out in Appendices D and E of the Circular, for details on the PAI Group's accounting policies and the adoption of new or revised accounting standards issued but not yet effective.

7. MAJOR CUSTOMERS AND SUPPLIERS

7.1 Major Customers

The PAI Group is principally engaged in the business of property investment holdings and its revenue comprises mainly rental income from tenants of the PAI Properties. The PAI Group's major customers in each of FY2015, FY2016 and FY2017 who accounted for 5% or more of the revenue of the PAI Group in each respective period were CMG Group (Singapore) Pte Ltd, McCann Worldgroup (Singapore) Pte Ltd, SZ Edu Corp Pte. Ltd. and Citibank N.A.. Citibank N.A. had recently in the second quarter of 2017 extended its lease term to the second quarter of 2020.

As at the Latest Practicable Date, none of the Directors, Substantial Shareholders of the Enlarged Group, or their respective Associates, has any interest, direct or indirect, in any of the major customers of the PAI Group.

As at the Latest Practicable Date, the director of PAI is of the view that the business and profitability of the PAI Group is not materially dependent on any single tenant or customer.

To his best knowledge and belief, the director of PAI is not aware of any information or arrangements which will lead to a cessation or termination of a major lease or license prior to the expiry of its term.

7.2 Major Suppliers

The PAI Group's major suppliers for each of FY2015, FY2016, and FY2017 comprise unrelated third parties which provide property management, utilities, maintenance and real estate services to the PAI Group in respect of the PAI Properties. None of the PAI Group's major suppliers accounted for 5% or more of the total operating expenses.

As at the Latest Practicable Date, none of the Directors, Substantial Shareholders of the Enlarged Group, or their respective Associates, has any interest, direct or indirect, in any of the major suppliers of the PAI Group.

As at the Latest Practicable Date, the director of PAI is of the view that the business and profitability of the PAI Group is not materially dependent on any single supplier.

To his best knowledge and belief, the director of PAI is not aware of any information or arrangements which will lead to a cessation or termination of the PAI Group's relationship with any of its major suppliers.

8. INVENTORY MANAGEMENT

Due to the nature of the PAI Group' businesses, the PAI Group does not carry any inventory.

9. PAYMENT TERMS AND CREDIT POLICY

The PAI Group does not grant any credit terms for the rental of properties.

Generally, upon signing of the lease agreement, the PAI Group's tenants are required to make an upfront deposit as per prevailing market practice, and to make monthly rental payments in advance within 7 days from date of issue of the invoices. For late payment of rent, the PAI Group's lease agreements generally provide for a late payment charge of 1% to 2% per month on the monthly rental, computed on a daily basis.

Due to the nature of the PAI Group's business, it does not have any significant trade suppliers. The PAI Group's main suppliers are service providers in relation to property management, utilities, maintenance and real estate services, who typically offer credit terms of around 30 days.

10. RESEARCH AND DEVELOPMENT

The PAI Group does not undertake any research and development activities due to the nature of its business. The PAI Group did not incur any research and development expenditure during the Period Under Review and from 1 April 2017 up to the Latest Practicable Date.

11. QUALITY ASSURANCE

The PAI Group implements enforcement and controls on property and building maintenance to ensure that the PAI Properties are kept in good and tenantable condition, and that their operations are in compliance with the applicable regulations.

12. EMPLOYEES

The PAI Group does not have any employees. No compensation was paid during the Period Under Review, or is to be paid by the PAI Group, to any director or executive of the PAI Group.

The PAI Group engages unrelated external parties in respect of their operational and maintenance requirements.

13. SALES AND MARKETING

The sales and marketing activities, and the leasing of units of the PAI Properties are outsourced to unrelated external parties. The PAI Group's sales and marketing efforts are generally conducted through the media such as newspapers, websites and real estate agents.

14. FIXED ASSETS

Other than the PAI Properties, the PAI Group does not have any material tangible fixed assets.

15. ORDER BOOK

Due to the nature of their businesses, the PAI Group does not maintain any order books.

However, the PAI Group has entered into lease agreements with its tenants for an average tenure ranging from one (1) to two (2) years for its residential properties, and three (3) to four (4) years for its commercial units. As at the Latest Practicable Date, the units in the commercial building are fully tenanted save for two (2) floors, and all the residential properties are fully leased out.

16. INSURANCE

The PAI Group maintains various insurance policies for the PAI Properties, which cover loss, damage, fire, general and public liabilities. As at the Latest Practicable Date, the director of PAI is of the view that the above insurance coverage is adequate for the PAI Group's current operations.

17. GOVERNMENT REGULATIONS, PERMITS, APPROVALS AND LICENCES

Apart from general business registration requirements, the PAI Group is also subject to the relevant laws and regulations of Singapore relating to property investments.

In addition, MacDonald House has been classified as a National Monument under the Preservation of Monuments Act (Chapter 239) ("**PMA**"). Accordingly, MacDonald House is subject to the requirements of the PMA and the appropriate guidelines issued by the National Heritage Board.

To the best of the PAI director's belief and knowledge, the PAI Group has obtained all material approvals, licences and permits and is in compliance with all applicable Singapore laws and regulations which are material to its business operations.

18. GENERAL INFORMATION

18.1 Financial Condition and Operations of the PAI Group

Save as disclosed in this Appendix A, the director of PAI is not aware of any event which has occurred from 1 April 2017 to the Latest Practicable Date which may have a material effect on the financial position and results of the PAI Group.

18.2 Litigation

As at the Latest Practicable Date, to the best of the PAI director's belief and knowledge, having made all reasonable enquiries, neither PAI nor any of the PAI Subsidiaries have been engaged in any legal or arbitration proceedings as plaintiff or defendant including those which are pending or known to be contemplated, which may have or have had in the last 12 months immediately before the date of this Circular, a material effect on the financial position or the profitability of the PAI Group.

18.3 No Take-over Offers

To the best of the PAI director's belief and knowledge, there has not been any public take-over offer by a third party in respect of PAI's shares, or by the PAI Group in respect of the shares of another corporation or units of business trust, which has occurred from 1 April 2016 to the Latest Practicable Date.

18.4 No Conflict of Interests

The Vendor and its sole shareholder, Dr. Nico Purnomo Po, have confirmed that neither the Vendor, Dr. Nico Purnomo Po, nor any of their Associates has any interest, direct or indirect, in any entity carrying on the same business or dealing in similar services which competes materially and directly with the business of the Enlarged Group.

19. RESPONSIBILITY STATEMENT OF THE DIRECTOR OF PAI

The director of PAI accepts full responsibility for the accuracy of the information given in this Appendix A, and all information given in the Circular in respect of the PAI Group, and confirms after making all reasonable enquiries that, to the best of his knowledge and belief, the Circular and this Appendix A constitutes full and true disclosure of all material facts about the PAI Group, and the director of PAI is not aware of any facts the omission of which would make any statement in this Circular and Appendix A in relation to the PAI Group misleading.

Where information in the Circular and this Appendix A in relation to the PAI Group has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the director of PAI has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular and this Appendix A in its proper form and context.

PROVENANCE CAPITAL PTE. LTD.
(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)
96 Robinson Road #13-01 SIF Building
Singapore 068899

29 September 2017

To: The Independent Directors of Pollux Properties Ltd.
(deemed to be independent in respect of the Proposed Acquisition)

Mr Timur Pradopo	(Non-Executive Chairman and Independent Director)
Mr Tan Kay Kiang	(Non-Executive Non-Independent Director)
Mr Low Chai Chong	(Lead Independent Director)
Mr Bambang Widaryatmo	(Independent Director)
Mr James Kho Chung Wah	(Independent Director)
Mr Tan Nan Choon	(alternate Director to Mr Tan Kay Kiang)

Dear Sirs,

THE PROPOSED ACQUISITION OF 100% OF THE ISSUED AND PAID UP SHARE CAPITAL OF POLLUX ALPHA INVESTMENTS LTD AS AN INTERESTED PERSON TRANSACTION

*Unless otherwise defined or the context otherwise requires, all terms used herein have the same meanings as defined in the circular to the shareholders of the Company ("**Shareholders**") dated 29 September 2017 ("**Circular**").*

1. INTRODUCTION

1.1 On 31 July 2017 ("**Term Sheet Announcement Date**"), the board of directors of Pollux Properties Ltd. ("**Company**", together with its subsidiaries, "**Group**") announced, *inter alia*, that it had on 28 July 2017 entered into a non-binding term sheet ("**Term Sheet**") with Pollux Holdings Pte. Ltd. ("**Vendor**") to acquire certain investment properties ("**PAI Properties**") through the acquisition of 100% of the share capital of Pollux Alpha Investments Ltd ("**Sale Shares**") ("**PAI,** together with its subsidiaries, "**PAI Group**") ("**Proposed Acquisition**"). The PAI Properties, which comprise commercial and residential properties located in prime locations in Singapore, are held through six wholly-owned subsidiaries of PAI ("**PAI Subsidiaries**").

On 8 August 2017 ("**SPA Announcement Date**"), the Company announced that it had, on the same day, entered into a conditional sale and purchase agreement ("**SPA**") with the Vendor for the Proposed Acquisition. The consideration for the Proposed Acquisition is S$200,938,367 ("**Consideration**") and was arrived at on a willing buyer and willing seller basis, after arm's length negotiation and taking into consideration the audited net asset value ("**NAV**") of the PAI Group as at 31 March 2017.

The Consideration shall be satisfied in the following manner:

(i) the setting-off of S$55,938,367, being the amount due from the Vendor to PAI as at 31 March 2017 ("**Set-Off**"); and

(ii) in respect of the balance amount of S$145,000,000 after applying the Set-Off, the allotment and issue of 2,132,352,941 new ordinary shares of the Company ("**Consideration Shares**") to the Vendor at the issue price of S$0.068 per Consideration Share ("**Issue Price**").

1.2 As at the Latest Practicable Date, the Vendor which is the controlling Shareholder, holds 378,789,384 ordinary shares of the Company ("**Shares**"), representing 60.4% of the Company's total number of 627,115,384 issued Shares. The Company's Executive Director and Chief Executive Officer, Dr Nico Purnomo Po, is the sole shareholder of the Vendor.

1.3 The Company is listed on the Catalist Board ("**SGX-Catalist**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Pursuant to Chapter 9 of Section B: Rules of Catalist of the Listing Manual of the SGX-ST ("**Catalist Rules**"), the Vendor being the controlling Shareholder, and its associates (which includes Dr Nico Purnomo Po) are deemed as interested persons in the Proposed Acquisition ("**Interested Person**"). The Proposed Acquisition therefore constitutes an interested person transaction ("**Interested Person Transaction**").

1.4 Shareholders' approval must be obtained for any interested person transaction of a value equal to or greater than 5% of the group's latest audited net tangible assets ("**NTA**") or, when aggregated with other interested person transactions entered into with the same interested person during the same financial year, the value of the transaction is equal to or more than 5% of the group's latest audited NTA. In addition, the company is to seek the opinion of an independent financial adviser ("**IFA**") on whether the interested person transaction is on normal commercial terms and not prejudicial to the interests of the company and its minority shareholders ("**Minority Shareholders**").

Based on the Group's latest audited financial statements for the financial year ended 31 March 2017 ("**FY2017**"), the Group's audited NTA was S$53.4 million. As the Consideration for the Proposed Acquisition of S$200.9 million represents 3.8 times of the Group's latest audited NTA, the Proposed Acquisition, as an Interested Person Transaction, is subject to the approval of Shareholders at an extraordinary general meeting ("**EGM**") to be convened and the opinion of the IFA.

Pursuant to Chapter 9 of the Catalist Rules, the Vendor and its associates (including Dr Nico Purnomo Po) are required to abstain from voting on the ordinary resolution pertaining to the Proposed Acquisition at the EGM.

1.5 In addition, pursuant to Rule 1006 and Rule 1015 of the Catalist Rules, the Proposed Acquisition would be considered a "Very Substantial Acquisition". The Company had applied to the SGX-ST for a waiver from complying with the requirements of Rule 1015 of the Catalist Rules and instead have the Proposed Acquisition be regarded as a "Major Transaction" under Rule 1014 of the Catalist Rules ("**Waiver**"). The SGX-ST had, on 7 June 2017, granted the Waiver subject to certain conditions including *inter alia* (i) the appointment of an independent valuer to value the PAI Group; (ii) the appointment of an IFA in compliance under Rule 921 of the Catalist Rules; and (iii) the Vendor complying with the moratorium requirements under Rules 419 to 422 of the Catalist Rules, and Dr Nico Purnomo Po, as the sole shareholder of the Vendor, to give a moratorium undertaking on the shares of the Vendor for a period of 18 months commencing from the date of listing of the Consideration Shares.

Details of the Waiver are set out in Section 6.2 of the Circular.

1.6 Provenance Capital Pte. Ltd. ("**Provenance Capital**") has been appointed as the IFA to render an opinion on whether the Proposed Acquisition, as an Interested Person Transaction, is on normal commercial terms and is not prejudicial to the interests of the Company and its Minority Shareholders.

As an Interested Person, Dr Nico Purnomo Po will abstain from deliberating and making any recommendation on the Proposed Acquisition as a Director of the Company. The remaining Directors of the Company are deemed to be independent for the purpose of the Proposed Acquisition ("**Independent Directors**").

This letter ("**Letter**") is therefore addressed to the Independent Directors and sets out, *inter alia*, our evaluation and opinion on the Proposal Acquisition. This Letter forms part of the Circular to Shareholders which provides, *inter alia*, details of the Proposed Acquisition as an Interested Person Transaction and the recommendations of the Independent Directors on the Proposed Acquisition.

2. TERMS OF REFERENCE

Provenance Capital has been appointed as the IFA to advise the Independent Directors in respect of the Proposed Acquisition as an Interested Person Transaction. We are not and were not involved or responsible, in any aspect, in the negotiations in relation to the Proposed Acquisition, nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the Proposed Acquisition or to obtain the approval of the Minority Shareholders for the Interested Person Transaction, and we do not, by this Letter, warrant the merits of the Proposed Acquisition other than to express an opinion on whether the Proposed Acquisition as an Interested Person Transaction is on normal commercial terms and not prejudicial to the interests of the Company and its Minority Shareholders.

It is not within our terms of reference to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks of the Proposed Acquisition or to compare their relative merits *vis-à-vis* alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future, and we have not made such evaluation or comment. Such evaluation or comment, if any, remains the responsibility of the Directors and/or the management of the Company ("**Management**") although we may draw upon the views of the Directors and/or the Management or make such comments in respect thereof (to the extent deemed necessary and appropriate by us) in arriving at our opinion as set out in this Letter.

In the course of our evaluation, we have held discussions with the Directors and Management and their professional advisers (where applicable) and have examined and relied on publicly available information collated by us as well as information provided and representations made to us, both written and verbal, by the Directors, the Management and the professional advisers (where applicable) of the Company, including information contained in the Circular. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. Nevertheless, we have made reasonable enquiries and judgment as were deemed necessary and have found no reason to doubt the accuracy or reliability of the information and representations.

The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed that, having made all reasonable enquiries and to the best of their respective knowledge and belief, information and representations as provided by the Directors and Management are accurate. They have also confirmed to us that, upon making all reasonable enquiries and to their best knowledge and belief, all material information available to them in connection with the Proposed Acquisition as an Interested Person Transaction, the Company and/or the Group have been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us in relation to the Proposed Acquisition as an Interested Person Transaction, the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular have been reasonably made after due and careful enquiry. Whilst care has been exercised in reviewing the information on which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and judgment on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

Save as disclosed, we would like to highlight that all information relating to the Proposed Acquisition, the Company and/or the Group that we have relied upon in arriving at our recommendation or advice has been obtained from publicly available information and/or from the Directors and the Management. We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Company and/or the Group at any time or as at 15 September 2017, being the Latest Practicable Date referred to in the Circular.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition of the Company and/or the Group, or to express, and we do not express, any view on the future growth prospects, value and earnings potential of the Company and/or the Group after the Proposed Acquisition. Such review or comment, if any, remains the responsibility of the Directors and the Management, although we may draw upon their views or make such comments in respect thereof (to the extent required by the Catalist Rules and/or deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter. We have not obtained from the Company and/or the Group any projection of the future performance including financial performance of the Company and/or the Group, and we did not conduct discussions with the Directors and the Management on, and did not have access to, any business plan and financial projections of the Company and/or the Group. In addition, we are not expressing any view as to the prices at which the Shares may trade or the future value, financial performance or condition of the Company and/or the Group, upon or after completion of the Proposed Acquisition.

We have not made an independent evaluation or appraisal of the assets and liabilities of the PAI Group, the Company and/or the Group (including without limitation, property, plant and equipment). However, in connection with the Proposed Acquisition, the Company had commissioned Cushman & Wakefield VHS Pte Ltd ("**Valuer**" or "**C&W**"), as the independent valuer, to carry out an independent market valuation of all the PAI Properties held by the PAI Group as at 31 March 2017. Copies of the valuation certificates ("**Valuation Certificates**") for each of the following PAI Properties are attached as Appendix C to the Circular:

(i) 40A Orchard Road, MacDonald House, Singapore 238838;
(ii) 12 apartment units in 57B Devonshire Road, The Suites @ Central, Singapore 239899;
(iii) 238 Orchard Boulevard #41-05, The Orchard Residences, Singapore 237973; and
(iv) 31 Tanglin Road #11-02, St Regis Residences, Singapore 247912.

In addition, as the balance Consideration for the Proposed Acquisition after the Set-Off is to be satisfied by the Consideration Shares, the Company had commissioned the Valuer to carry out a desk-top valuation of the properties under development of the Group as at 31 March 2017 for the purpose of our evaluation of the Issue Price. Such properties under development are in relation to the residential development project undertaken by the Group's subsidiary, Giorgio Residences Pte Ltd, which comprises 20 residential units located at 531 to 537 East Coast Road, Singapore ("**Mayfair Residences**"). A copy of desk-top valuation letter on the Mayfair Residences ("**Desktop Valuation Letter**") is available as a document for inspection as set out in Section 18 of the Circular.

The Group also has investment properties which are recorded at cost in its books according to its accounting policies. However, as the fair values of these properties as appraised by the Valuer are already disclosed in the notes to the accounts of the Group for FY2017, we have taken into consideration the fair values of these investment properties in our evaluation of the Issue Price.

Management has represented to us, following their confirmation with the Valuer, that the market valuation of the respective properties which was carried out by the Valuer for audit purposes of the Group and for the PAI Group remains valid and unchanged for the purpose of the Proposed Acquisition.

We are not experts in the evaluation or appraisal of the assets concerned and have placed sole reliance on the market valuation by the Valuer for such assets appraisal and have not made any independent verification of the contents thereof. In particular, we do not assume any responsibility to enquire about the basis of the valuation as contained in the Valuation Certificates, Desktop Valuation Letter or the fair value disclosure in the notes of accounts of the Group for FY2017 or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements.

Our view as set out in this Letter is based on market, economic, industry, monetary and other conditions (if applicable) prevailing as at the Latest Practicable Date and the information and representations provided to us as of the Latest Practicable Date. In arriving at our opinion, with the consent of the Directors and/or the Company, we have taken into account certain factors and have made certain assumptions as set out in this Letter. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcement relevant to the Proposed Acquisition which may be released by the Company after the Latest Practicable Date.

In rendering our advice and giving our recommendations, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Minority Shareholder or any specific group of Minority Shareholders. As each Minority Shareholder may have different investment objectives and profiles, we recommend that any individual Minority Shareholder or group of Minority Shareholders who may require specific advice in relation to his or their investment portfolio(s) or objective(s) consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, whether expressed or implied, on the contents of the Circular (other than this Letter).

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes, other than at the forthcoming EGM and for the purpose of the Proposed Acquisition as an Interested Person Transaction at any time and in any manner, without the prior written consent of Provenance Capital in each specific case.

We have prepared this Letter for the use of the Independent Directors in their consideration of the Proposed Acquisition as an Interested Person Transaction and their recommendation to the Minority Shareholders arising thereof. The recommendations made to the Minority Shareholders in relation to the Proposed Acquisition as an Interested Person Transaction remain the responsibility of the Independent Directors.

Our opinion in relation to the Proposed Acquisition as an Interested Person Transaction should be considered in the context of the entirety of this Letter and the Circular.

3. TERMS OF THE PROPOSED ACQUISITION

Details of the terms of the Proposed Acquisition are set out in Section 3 of the Circular. A summary of the terms of the Proposed Acquisition is set out below for your reference.

3.1 Sale and Purchase

Pursuant to the SPA, the Vendors will sell and the Company will purchase all the Sale Shares, representing 100% of the issued share capital of PAI, free of all encumbrances and together with all rights, interests, benefits and advantages attaching thereto as at completion of the SPA ("**Completion**"). Following Completion, PAI will become a wholly-owned subsidiary of the Company and the PAI Subsidiaries (which own the PAI Properties) will be indirect wholly-owned subsidiaries of the Company.

3.2 Consideration

The Consideration for the Proposed Acquisition is S$200,938,367. The Consideration was arrived at on a willing buyer, willing seller basis, after arm's length negotiations and taking into consideration the audited NAV of the PAI Group of S$200,955,119 as at 31 March 2017. The

Consideration approximates the audited NAV of the PAI Group based on the latest audited financial statements of the PAI Group for FY2017.

The Consideration for the Proposed Acquisition shall be satisfied in the following manner:

(a) the Set-Off of S$55,938,367, being the amount due from the Vendor to PAI as at 31 March 2017; and

(b) in respect of the balance Consideration of S$145,000,000 after applying the Set-Off, the allotment and issue of 2,132,352,941 Consideration Shares to the Vendor at the Issue Price of S$0.068 per Consideration Share.

The Issue Price of S$0.068 represents a premium of 33.3% above the volume weighted average price ("**VWAP**") of the Shares of S$0.051 on 31 July 2017, being the full market day when the Shares were last transacted on the SGX-ST prior to the release of the announcement of the SPA in the morning on 8 August 2017. The Shares were halted for trading in the morning until 12 noon on 8 August 2017. There were no trades done on the Shares between 1 August 2017 and 8 August 2017 noon time.

The Consideration Shares, when allotted and issued, shall be fully-paid, free from all claims and encumbrances and shall rank *pari passu* in all respects with the existing Shares of the Company as at the date of issue of the Consideration Shares.

3.3 Conditions Precedent

Completion of the Proposed Acquisition is conditional upon the fulfilment of conditions precedent ("**Conditions Precedent**") as set out in the SPA, including *inter alia* the following:

(i) Shareholders' approval at the EGM for the Proposed Acquisition;

(ii) the delivery by the Vendor of a moratorium undertaking letter that:

(a) it will not dispose of any part of its shareholding interests in the Company for a period of 12 months commencing from the date of listing of the Consideration Shares on the SGX-Catalist (such shareholdings being adjusted for any bonus issue, subdivision or consolidation); and

(b) it will not dispose more than 50% of its shareholding interests in the Company for the subsequent six months (such shareholdings being adjusted for any bonus issue, subdivision or consolidation);

(iii) the delivery by the Vendor of a moratorium undertaking letter from Dr Nico Purnomo Po undertaking not to dispose of any part of his shareholding interests in the Vendor for a period of 18 months commencing from the date of listing of the Consideration Shares on SGX-Catalist (such shareholdings being adjusted for any bonus issue, subdivision or consolidation); and

(iv) the issuance by the SGX-ST of a listing and quotation notice of the Consideration Shares on the SGX-Catalist.

Details on the Conditions Precedent are set out in Section 3.2.1 of the Circular.

An additional listing application has been made to the SGX-ST for the listing and quotation of the Consideration Shares on the SGX-Catalist. The listing and quotation notice, if issued by the SGX-ST, is not to be taken as an indication of the merits of the Proposed Acquisition, the Group, the Shares, the PAI Group, or the Consideration Shares.

4. INFORMATION ON THE PAI GROUP AND THE VENDOR

4.1 PAI Group and the Vendor

PAI is a single-purpose property investment company incorporated in the British Virgin Islands. As at the Latest Practicable Date, PAI has an issued and fully paid-up share capital of S$164,000,001 comprising 116,378,088 ordinary shares which is wholly-owned by the Vendor.

The Vendor, Pollux Holdings Pte. Ltd., is an investment holding company incorporated in Singapore. The Vendor is also the controlling shareholder of the Company, holding 60.4% shareholding interest in the Company. Dr Nico Purnomo Po, the Chief Executive Officer and the Executive Director of the Company, is the sole shareholder and director of the Vendor.

PAI has six PAI Subsidiaries, which are wholly-owned, and through these PAI Subsidiaries, the PAI Group owns the PAI Properties. The PAI Properties comprise commercial and residential properties located in prime locations in Singapore, including the iconic MacDonald House at 40A Orchard Road.

The main business activity of the PAI Group is the ownership and renting of the PAI Properties. The PAI Group does not have any employees and outsources its property management and finance functions.

The PAI Subsidiaries and the associated PAI Properties are set out in the table below:

No.	PAI Subsidiary	Place of incorporation	PAI Property	Tenure
1.	Tinifia Investment Pte. Ltd.	Singapore	40A Orchard Road MacDonald House Singapore 238838	Freehold
2.	Richmond View Investment Pte. Ltd.	Singapore	#11-02 31 Tanglin Road St Regis Residences Singapore 247912	999 years commencing from 24 November 1995
3.	Orchard Residence Investment Pte. Ltd.	Singapore	#41-05 238 Orchard Boulevard The Orchard Residences Singapore 237973	99 years commencing from 13 March 2006
4.	Symbianta Worldwide Inc.	British Virgin Islands	#02-06, #03-06, #26-06 57B Devonshire Road The Suites @ Central Singapore 239899	Freehold
5.	Savers Investment Ltd	British Virgin Islands	#02-04, #03-04, #04-04, #05-04, #06-04, #07-04 57B Devonshire Road The Suites @ Central Singapore 239899	Freehold
6.	Cherimoya Worldwide Corporation	British Virgin Islands	#04-05, #05-05, #07-05, 57B Devonshire Road The Suites @ Central Singapore 239899	Freehold

MacDonald House and the residential unit at each of St Regis Residences and The Orchard Residences are owned separately by a PAI Subsidiary, while the 12 apartment units at 57B Devonshire Road are collectively owned by three PAI Subsidiaries.

Further details on the PAI Group are set out in Section 2 and Appendix A of the Circular.

4.2 Financial information of the PAI Group

4.2.1 Financial performance

Set out below is a summary of the financial performance of the PAI Group for the last two financial years ended 31 March 2017, that is, FY2016 and FY2017:

S$'000	FY2016	FY2017
Revenue	10,041	9,977
Other income	20	33,651
Profit after tax	2,905	36,774

Source: *Audited accounts of PAI Group for FY2017*

PAI Group's revenue remained relatively stable at S$10.0 million in each of FY2016 and FY2017, contributed mainly from rental income of its investment properties.

PAI Group's accounting policy for its investment properties is to state them at fair value. For the purpose of the audited accounts of the PAI Group for FY2017 and in connection with the Proposed Acquisition, independent valuations were carried out by the Valuer, C&W, to assess the market value of all the investment properties held by the PAI Group, and these investment properties relate to the PAI Properties. The Valuer had valued the PAI Properties on 30 June 2017 based on Comparable Sales method that considers the sales of similar properties that have been transacted in the open market. Adjustments are then made for location, tenure, time, age/condition, type and size, amongst other factors, before arriving at the value of the properties. Such valuations were then incorporated in the audited accounts of the PAI Group for FY2017.

The breakdown of the respective market value of the PAI Properties as at 31 March 2017 is set out below:

No.	Description and Location	S$'million
1.	40A Orchard Road, The MacDonald House, Singapore 238838	228.00
2.	12 apartment units in 57B Devonshire Road, The Suites at Central, Singapore 239899	40.70
3.	238 Orchard Boulevard #41-05, The Orchard Residences, Singapore 237973	9.80
4.	31 Tanglin Road #11-02, St Regis Residences, Singapore 247912	5.70
		284.20

Source: *Valuation Certificates*

Copies of the Valuation Certificates for the PAI Properties are attached as Appendix C to the Circular.

The aggregate market value of the PAI Properties amounted to S$284.2 million as at 31 March 2017 as compared to the book value of the PAI Properties of S$250.7 million as at 31 March 2016. Accordingly, the PAI Group had recognised a gain of S$33.5 million from the fair value adjustment of the investment property for FY2017, which contributed to the increase in other income for FY2017.

As a result, profit after tax of the PAI Group for FY2017 also increased significantly from S$2.9 million in FY2016 to S$36.8 million in FY2017 due largely to the fair value adjustment of the investment property.

As shown above, the earnings of the PAI Group were subject to wide swings due mainly to changes in fair value adjustments of the Group's investment properties. Hence, the assessment of PAI Group's valuation based on the historical earnings approach may not be a meaningful basis for the purpose of evaluating the Proposed Acquisition. As a property backed company, we are of the opinion that the revalued NAV of the PAI Group may be a more appropriate basis to assess the valuation of the PAI Group. In this regard, we note that the Consideration for the Proposed Acquisition approximates the audited NAV of the PAI Group as at 31 March 2017 and such audited NAV has already incorporated the market valuation of all the PAI Properties. Further analysis of the NAV of the PAI Group is set out in Section 4.2.2 below.

4.2.2 Financial position

Set out below is a summary of the financial position of the PAI Group as at 31 March 2017:

S$'000	Audited As at 31 March 2017
Non-current assets	285,814
Current assets	69,355
Total assets	**355,169**
Current liabilities	154,214
Total equity or NAV	200,955
Total equity and liabilities	**355,169**

Source: *Audited accounts of PAI Group for FY2017*

As at 31 March 2017, the total assets of the PAI Group consist of mainly the PAI Properties (representing 80.0% of total assets) and non-trade receivable due from related parties of the Vendor of S$55.9 million (representing 15.8% of total assets). The amount due from related parties is unsecured, non-interest bearing and repayable upon demand.

As mentioned in Section 4.2.1 above, the PAI Properties have been revalued at market value by the Valuer on 30 June 2017 and taken in as the fair value of the PAI Properties in the audited accounts of the PAI Group as at 31 March 2017. These PAI Properties are mortgaged to secure the bank loans referred to below.

With regards to the amount due from related parties, such outstanding amount is to be set-off against the Consideration for the Proposed Acquisition. Accordingly, upon Completion, such amount due from related parties will be deemed as fully settled.

As at 31 March 2017, the PAI Group has no non-current liabilities. Its current liabilities consist of mainly the bank loans amounting to S$149.7 million (representing 97.0% of total liabilities) as at 31 March 2017. The loans are secured over the PAI Properties, rental proceeds from the PAI Properties and the personal guarantees of the sole director of PAI.

Total equity of the PAI Group as at 31 March 2017 consists of paid-up capital of S$164.0 million and revenue reserves of S$37.0 million, which also represents the NAV of the PAI Group. As the PAI Group does not have any intangible assets, its NAV is equivalent to its net tangible assets ("**NTA**").

5. INFORMATION ON THE GROUP

5.1 Overview

The Company was incorporated in Singapore in 1999 and listed on SGX-Catalist (then known as SESDAQ) on 19 July 2000 as Shining Corporation Ltd. On 22 June 2010, the Company changed its name to "Pollux Properties Ltd." to align with its corporate strategy of entering into its new business of undertaking residential property development.

The Company is an investment holding company and through its subsidiaries, the Group is engaged in property development in Singapore with an exclusive focus on the development of residential and commercial properties. The Group has two main segments - Property Development and Property Investment. The Property Development segment acquires and develops properties for sale. The Property Investment segment rents properties as well as operates serviced apartments.

As at the Latest Practicable Date, the Company has a total of 627,115,384 issued Shares. The Company does not have any treasury shares or outstanding instruments convertible into, rights to subscribe for, and options in respect of, Shares or securities which carry voting rights in the Company. Based on the last transacted Share price of S$0.053 on 13 September 2017, being the trading day when the Shares were last transacted prior to the Latest Practicable Date, and the outstanding number of Shares as at the Latest Practicable Date, the market capitalisation of the Company is approximately S$33.2 million.

The Vendor is the controlling Shareholder, holding 378,789,384 Shares and representing 60.4% of the Company's total number of Shares. Dr Nico Purnomo Po, is the sole shareholder of the Vendor.

Pursuant to the Proposed Acquisition, after the Set-Off, in respect of the balance Consideration, the Vendor will be allotted and issued 2,132,352,941 new Consideration Shares, representing 340.0% of the existing number of issued Shares and 77.3% of the enlarged number of Shares immediately after the Proposed Acquisition.

Together with the Vendor's existing shareholding interest in the Company, the Vendor will hold, in aggregate, 2,511,142,325 Shares, representing 91.0% of the enlarged number of issued Shares after the Proposed Acquisition.

Under Rules 1006 and 1015 of the Catalist Rules, the Proposed Acquisition would have been considered as a "Very Substantial Acquisition" as the relative figures under Rule 1006 exceed 100% but otherwise does not result in a change of control of the Company. The Company has sought and obtained the Waiver from the SGX-ST for the Proposed Acquisition to be regarded as a "Major Transaction" under Rule 1014 of the Catalist Rules instead of a "Very Substantial Acquisition", subject to various conditions stipulated by the SGX-ST, including the following:

(i) the appointment of an independent valuer to value the PAI Group;
(ii) the appointment of an IFA in respect of the Proposed Acquisition; and
(iii) the respective moratorium undertakings by the Vendor and by Dr Nico Purnomo Po.

We note that the Valuer had been appointed to value the PAI Properties which are the main assets of the PAI Group as opposed to the business valuation of the PAI Group (a condition of the SGX-ST listed above) for the purpose of the Proposed Acquisition.

The Proposed Acquisition is a major transaction and also an Interested Person Transaction. Accordingly, the Proposed Acquisition is subject to the approval of Shareholders at the EGM and the opinion of the IFA.

We also note that immediately after the Proposed Acquisition, the Vendor will own 91.0% of the enlarged total number of Shares and the public float will be diluted to less than the minimum 10% free float requirement under Rule 723 of the Catalist Rules. In such an event, trading in the Shares on the SGX-ST may be suspended until the public float and the shareholding spread requirements are met. In this regard, the Company had disclosed in Section 11 of the Circular that a Compliance Placement and/or Vendor Sale will be undertaken to ensure compliance with Rule 723 of the Catalist Rules on the free float requirement. Shareholders should take note of any announcement in relation to the Compliance Placement and/or Vendor Sale which may be released after the Latest Practicable Date.

5.2 Financial information of the Group

As the Company will be issuing the Consideration Shares as settlement of the balance Consideration after the Set-Off for the Proposed Acquisition, it is relevant to evaluate the financial information of the Group.

5.2.1 Financial performance

Set out below is a summary of the audited financial performance of the Group for the last two financial years, that is, FY2016 and FY2017. The Group and the PAI Group have the same financial year ended 31 March:

S$'000	FY2016	FY2017
Revenue	48,271	29,878
Gross profit	5,116	3,345
Profit after tax	1,656	2,576

Source: *The Company's annual report for FY2017*

Revenue of the Group is derived from sale of development properties and rental income. The decrease in revenue in FY2017 was due mainly to lower revenue from sale of development properties which is recognised on percentage of completion basis. Accordingly, gross profit was also lower in FY2017 compared to FY2016.

As at 31 March 2017, the Group has 5 on-going projects, of which 3 of them have already obtained Temporary Occupation Permit and are fully sold. The 2 remaining projects, namely Mayfair Residences and Pavilion Square, are still under construction in progress but are 85% and 100% sold respectively. Pavilion Square is a 50% joint venture for a mixed development project for commercial and residential purposes. Hence, the Group recognised its share of results in Pavilion Square as a separate line item under share of result of a joint venture, net of tax.

For FY2016 and FY2017, share of results of a joint venture was S$4.2 million and S$6.4 million respectively. As a result, the Group reported profit after tax of S$1.7 million and S$2.6 million respectively for FY2016 and FY2017. Before taking into consideration the share of results of the joint venture, the Group would have reported losses of S$2.5 million and S$3.8 million for FY2016 and FY2017 respectively.

As the Group's revenue recognition policy is on percentage of completion basis and the present outstanding projects in relation to Mayfair Residences and Pavilion Square are soon to be completed, the Group's financial performance may not be sustainable at historical levels. Hence, it will not be meaningful to assess the reasonableness of the Issue Price based on the historical earnings of the Group.

Similar to the PAI Group, as the Group is asset heavy with significant holdings of properties assets, the NAV based valuation approach is more appropriate in assessing the valuation of the Group. Further analysis of the NAV of the Group is set out in Section 5.2.2 below.

5.2.2 Financial position

Set out below is a summary of the financial position of the Group as at 31 March 2017:

S$'000	Audited As at 31 March 2017
Non-current assets	66,541
Current assets	51,822
Total assets	**118,363**
Current liabilities	47,089
Non-current liabilities	17,915
Total liabilities	**65,004**

S$'000	Audited As at 31 March 2017
Total equity / Net asset value ("**NAV**")	53,359
Total equity and liabilities	**118,363**

Source: *The Company's annual report for FY2017*

Non-current assets

As at 31 March 2017, non-current assets of the Group consist of mainly the investment properties (S$50.99 million, representing 76.6% of non-current assets) and investment in a joint venture (S$13.20 million, representing 19.8% of non-current assets). The investment properties are stated at cost less deprecation in accordance with the Group's accounting policy. The Group accounts for its investment in joint venture using the equity method which is carried in the balance sheet at cost plus post-acquisition changes to the Group's share of net assets of the joint venture.

Based on the desk-top valuation of the investment properties by the Valuer as at 31 March 2017, as disclosed in the notes to the accounts of the Group for FY2017, the market value of the investment properties as at 31 March 2017 was S$52.27 million. There is therefore a revaluation surplus of S$1.28 million above the book value of the investment properties as at 31 March 2017. Management had informed us that, to the best of their knowledge and belief, in the hypothetical sale of the investment properties at their market values, the surplus will be deemed as capital gain and therefore, no potential tax liabilities on the capital gain will arise. It is also the present intention of the Group to retain these properties for rental income and/or for capital appreciation.

The investment in a joint venture refers to the Group's 50% shareholding interest in Pollux Botero Pte. Ltd. which indirectly owns Pavilion Square. Pavilion Square is a mixed development project for commercial and residential purposes. As at 31 March 2017, all the units of Pavilion Square have been sold and the property is approximately 90% completed. Hence, Management has represented that there is no material revaluation surplus on the project.

Current assets

As at 31 March 2017, current assets of the Group consist of mainly the properties under development (S$25.75 million, representing 49.7% of current assets) and trade receivables (S$13.16 million, representing 25.4% of current assets).

As at 31 March 2017, the Group's property development project is in relation to the Mayfair Residences which is still under construction but approximately 96% completed as at 31 March 2017 and expected to be completed in the current financial year, being FY2018. The Mayfair Residences project (comprising 20 residential units) is 85% sold as at 31 March 2017. The net book value of Mayfair Residences, which is measured at the lower of cost and net realisable value, was S$25.75 million as at 31 March 2017.

The Company had commissioned a desk-top valuation of the Mayfair Residences and based on the Desktop Valuation Letter by the Valuer, the Valuer had determined the gross development value ("**GDV**") of Mayfair Residences to be S$33.00 million as at 31 March 2017. The GDV is arrived at using the Comparable Sales Method in which a comparison is made with sales of similar properties in the vicinity and in similar standard localities. Adjustments are made for differences in location, tenure, size and dates of transaction, amongst other factors, before arriving at the value of the property. The GDV takes into account the land value of the property which was valued at S$17.00 million.

As at 31 March 2017, 17 of the 20 residential units (or 85%) of Mayfair Residences have been sold and 3 units remain unsold (or 15%). Based on the GDV of Mayfair Residences of S$33.00 million, on an average basis, the proportionate value attributable to the 3 unsold units is S$4.95 million (15.0% of S$33.00 million). Management has represented that the average development cost for each unit is approximately S$1.60 million (or S$4.80 million for the 3 units). Therefore, the revaluation surplus for the 3 units is approximately S$0.15 million. Management has also informed us that, to the best of their knowledge and belief, in the hypothetical sale of these 3 units, the Group may incur potential tax liabilities according to the applicable corporate income tax rate in Singapore of 17.0% on the revaluation surplus which is approximately S$0.03 million (17.0% of S$0.15 million). Hence, the net revaluation surplus is S$0.12 million.

Liabilities

Of the total liabilities of S$65.00 million as at 31 March 2017, loans and borrowings, and loan from joint venture amounted to S$58.22 million, representing 89.6% of total liabilities. The loans and borrowings are secured over, *inter alia*, the investment properties and development properties. The loan from joint venture is unsecured, non-interest bearing and repayable on demand.

Equity

Total equity or the NAV of the Group as at 31 March 2017 of S$53.36 million consists of paid up capital of S$54.81 million and negative revenue reserve of S$1.45 million. As the Group does not have any intangible assets, its NAV is equivalent to its NTA.

Revalued NAV of the Group

Taking into consideration the revaluation surpluses from the investment properties and development property as described above, the revalued NAV of the Group as at 31 March 2017 is computed as follows:

	S$'million	S$ per Share
Audited NAV of the Group as at 31 March 2017	53.36	0.085
Add: Revaluation surplus arising from the valuation of the investment properties	1.28	0.002
Add: Net revaluation surplus arising from the valuation of the properties under development	0.12	n.m.(1)
RNAV of the Group as at 31 March 2017	54.76	0.087

Note:

(1) n.m. denotes not meaningful.

In our evaluation of the terms of the Proposed Acquisition, we have also considered whether there is any other asset which should be valued at an amount that is materially different from that which was recorded in the statement of financial position of the Group as at 31 March 2017, and whether there are factors which have not been otherwise disclosed in the financial statements of the Group that are likely to impact the NAV as at 31 March 2017.

In respect of the above, we have sought the following confirmation from the Directors and the Management, and they have confirmed to us that as at the Latest Practicable Date, save as disclosed above and the announcements made by the Company since 31 March 2017 to the Latest Practicable Date, to the best of their knowledge and belief:

(a) there are no material differences between the realisable value of the Group's assets and their respective book values as at 31 March 2017 which would have a material impact on the NAV of the Group;

(b) there are no other contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NAV of the Group as at the Latest Practicable Date;

(c) there are no litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole;

(d) there are no other intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible assets would have a material impact on the overall financial position of the Group; and

(e) there are no material acquisitions and disposals of assets by the Group between 31 March 2017 and the Latest Practicable Date, and the Group does not have any plans for any such impending material acquisition or disposal of assets, conversion of the use of its material assets or material change in the nature of the Group's businesses.

6. EVALUATION OF THE PROPOSED ACQUISITION AS AN INTERESTED PERSON TRANSACTION

In our evaluation of the Proposed Acquisition as an Interested Person Transaction, we have given due consideration to, *inter alia*, the following key factors:

(a) rationale for the Proposed Acquisition;

(b) assessment of the Consideration for the Proposed Acquisition;

(c) assessment of the Issue Price for the Consideration Shares;

(d) dilution impact arising from the Proposed Acquisition on the Minority Shareholders; and

(e) other relevant considerations.

6.1 Rationale for the Proposed Acquisition

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Acquisition or the future prospects of the Group after the Proposed Acquisition. Nevertheless, we have reviewed the Company's rationale for the Proposal Acquisition as set out in Section 4 of the Circular and reproduced in *italics* below.

"The Group is a property developer in Singapore with an exclusive focus on the development of residential and commercial properties. Apart from property development, the Group also generates revenue from its investment properties which currently comprise 2 shop units at Balestier Road and 96 serviced apartments at 554 Havelock Road (Louis Kienne Serviced Residences).

The Proposed Acquisition will be beneficial for the Company's property investment business as the Company will be able to expand its investment property portfolio and increase its revenue stream. The PAI Properties represent a good investment opportunity for the Company as they are a good class of properties in prime locations in Singapore with high occupancy rates, most of which have freehold or 999-year tenure. With the Proposed Acquisition, the Company seeks to improve the stability of its recurring income.

The Proposed Acquisition will also enable the Company to increase its market capitalisation, enhance its investment profile and generate increased investors' interest. With the enlarged market capitalisation, subject to meeting regulatory requirements, the Company has the intention to apply to SGX-ST to be transferred to the Mainboard of the SGX-ST for greater visibility and recognition in the market and amongst investors. This will create a better platform for the Company to tap on the debt and equity markets in a more efficient manner. The Company will then be better positioned to have greater financial capacity to seek development and investment opportunities in Singapore, and to chart its next chapter of growth."

6.2 Assessment of the Consideration for the Proposed Acquisition

In assessing the reasonableness of the Consideration, we have considered using the earnings approach which is commonly used for the valuation of a profitable company as a going concern. However as described in Section 4.2.1 of this Letter, as the historical earnings of the PAI Group were subject to wide swings due mainly to changes in fair value adjustments of its investment properties, assessment of the valuation of the PAI Group based on the historical earnings approach is not meaningful.

The NAV based valuation provides an estimate of the value of a company assuming the hypothetical sale of all its assets over a reasonable period of time and would be more relevant for asset-based companies or where the subject company intends to realise or convert the uses of all or most of its assets. Such a valuation approach would be particularly appropriate when applied in circumstances where the business is to cease operations or where the profitability of the business being valued is not sufficient to sustain an earnings based valuation. As the PAI Group is a property backed company, the NAV based valuation approach would be more appropriate in valuing the PAI Group.

As described in Sections 4.2.1 and 4.2.2 of this Letter, the NAV of the PAI Group of S$200,955,119 as at 31 March 2017 also reflects the revalued NAV of the PAI Group as all the PAI Properties have been fair valued in its books. The PAI Group's NAV is equivalent to its NTA as the PAI Group does not have any intangible assets as at 31 March 2017.

Accordingly, the Consideration for the Sale Shares at S$200,938,367 which approximates the NAV of the PAI Group as at 31 March 2017 is reasonable.

The amount due from the Vendor to the PAI Group of S$55.9 million is to be set-off against the Consideration. This facilitates the full settlement of the amount due from the Vendor at Completion. In effect, the Consideration for the Proposed Acquisition, net of the Set-Off, is to be satisfied in full by the issue of the Consideration Shares to the Vendor. The balance amount of the Consideration is therefore S$145.0 million.

6.3 Assessment of the Issue Price for the Consideration Shares

The Issue Price of S$0.068 for each Consideration Share represents a premium of 33.3% above the VWAP of S$0.051 on 31 July 2017, being the last full market day when the Shares were transacted on the SGX-ST prior to the release of the announcement of the SPA in the morning on 8 August 2017. The Shares were halted for trading in the morning until 12 noon on 8 August 2017. There were no trades done on the Shares between 1 August 2017 and 8 August 2017 noon time.

In assessing the Issue Price, we have considered the following:

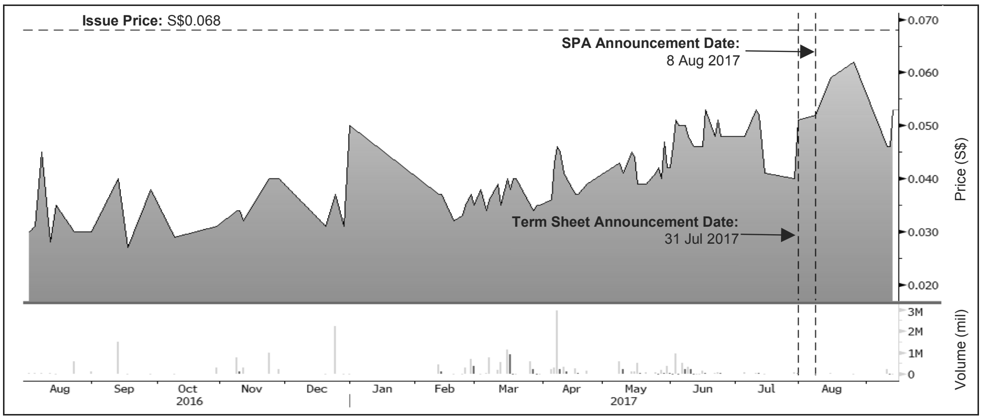
(a) the historical trading performance of the Shares;
(b) the NAV per Share and RNAV per Share;
(c) Shares trading pattern as compared to the historical NAV per Share; and
(d) a comparison of the valuation ratios of selected listed companies which are broadly comparable with the Group.

6.3.1 Historical trading performance of the Shares

The Company had announced the Term Sheet on 31 July 2017 and the SPA on 8 August 2017.

We have therefore compared the Issue Price against the historical market price performance of the Shares and considered the historical trading volume of the Shares for the last 1-year period from 29 July 2016 to 28 July 2017 (Friday), being the trading day when the Shares were last transacted prior to the release of the announcement of the Term Sheet on 31 July 2017 (Monday), and up to the Latest Practicable Date ("**Period Under Review**").

Price movement and trading volume of the Shares for the Period Under Review



Source: *Bloomberg L.P., based on the daily last transacted Share prices for the Period Under Review*

For the 1-year period prior to the Term Sheet Announcement Date, the Shares had traded substantially below the Issue Price at between S$0.027 and S$0.053.

After the release of the announcement of the Term Sheet and the SPA, the Share price had initially trended upwards slightly to up to S$0.062 but retracted subsequently to S$0.053 on 13 September 2017, being the trading day when the Shares were last transacted prior to the Latest Practicable Date. The last done price represents a discount of 22.1% to the Issue Price of S$0.068.

The trading liquidity on the Shares for the entire Period Under Review was very low and the Shares were not regularly traded as there were many trading days when no trades were done on the Shares.

Market Statistics

In addition to the share price chart for the Period Under Review, we have tabulated below selected statistical information on the Share price performance and trading liquidity of the Shares for the Period Under Review.

Reference period	Highest traded price (S$)	Lowest traded price (S$)	VWAP(1) (S$)	Premium / (Discount) of Issue Price over/(to) VWAP (%)	Number of traded days(2)	Average daily trading volume(3) ('000)	Average daily trading volume as a percentage of free float(4) (%)
Prior to the Term Sheet Announcement Date							
Last 1 year	0.056	0.021	0.0391	73.9	83	92	0.06
Last 6 months	0.056	0.032	0.0417	63.1	62	127	0.09
Last 3 months	0.055	0.038	0.0465	46.2	33	83	0.06
Last 1 month	0.053	0.040	0.0474	43.5	5	11	0.01
28 July 2017 (being the trading day when the Shares were last transacted prior to the Term Sheet Announcement Date)	0.041	0.040	0.0409	66.3	1	55	0.04

Reference period	Highest traded price (S$)	Lowest traded price (S$)	VWAP(1) (S$)	Premium / (Discount) of Issue Price over/(to) VWAP (%)	Number of traded days(2)	Average daily trading volume(3) ('000)	Average daily trading volume as a percentage of free float(4) (%)
After the release of the announcement of the Term Sheet							
31 July 2017 (Half day trade)	0.051	0.051	0.0510	33.3	1	40	0.03
No trades done on the Shares from 1 August 2017 to 12 noon on 8 August 2017.							
After the release of the announcement of the SPA							
8 August 2017 to the Latest Practicable Date	0.062	0.035	0.0421	61.5	6	9	0.01
13 September 2017 (being the trading day when the Shares were last transacted prior to the Latest Practicable Date)	0.053	0.053	0.0540	25.9	1	n.m(5)	n.m(5)

Notes:

(1) The VWAP for the respective periods are calculated based on the daily VWAP turnover divided by VWAP volume as extracted from Bloomberg L.P.. Off market transactions are excluded from the calculation;

(2) Traded days refer to the number of days on which the Shares were traded on the SGX-ST during the period;

(3) The average daily trading volume of the Shares is computed based on the total volume of Shares traded on the SGX-ST (excluding off market transactions) during the relevant periods, divided by the number of market days (excluding market days with full day trading halts) during that period;

(4) Free float refers to the Shares other than those directly and deemed held by the Directors and substantial Shareholders of the Company. For the purpose of computing the average daily trading volume as a percentage of free float, we have used the free float of approximately 149.4 million Shares based on the free float of 23.82% as disclosed in the Company's 2017 annual report; and

(5) Denotes not meaningful.

We observed the following with regard to the Share price performance for the Period Under Review:

(a) Over the 1-year period prior to the Term Sheet Announcement Date, the Shares have traded between a low of S$0.021 and a high of S$0.056. The Issue Price represents a premium of S$0.047 (or 223.8%) and S$0.012 (or 21.4%) above the lowest and highest transacted prices of the Shares respectively;

(b) The Issue Price represents a premium of 73.9%, 63.1%, 46.2% and 43.5% above the VWAP of the Shares for the 1-year, 6-month, 3-month and 1-month periods prior to the Term Sheet Announcement Date respectively;

(c) The Issue Price represents a premium of S$0.017 (or 33.3%) above the last transacted Share price of S$0.051 on 31 July 2017, being the market day when the Shares were last transacted on SGX-ST prior to the SPA Announcement Date; and

(d) Following the announcement of the SPA on 8 August 2017 and up to the Latest Practicable Date, the Shares had continued to trade below the Issue Price. The last transacted Share price was S$0.053 on 13 September 2017, being the trading day when the Shares were last transacted prior to the Latest Practicable Date.

We observed the following with regard to the trading liquidity of the Shares:

(i) During the one-year period prior to the Term Sheet Announcement Date, the Shares were infrequently traded and trading volume on the Shares was low. The average daily trading volume of the Shares for the 1-year, 6-month, 3-month and 1-month periods prior to the Term Sheet Announcement Date represented 0.06%, 0.09%, 0.06% and 0.01% of the free float of the Shares respectively; and

(ii) During the period following the SPA Announcement Date and up to the Latest Practicable Date, the average daily trading volume on the Shares remained low at approximately 9,000 Shares, representing 0.01% of the free float of the Shares.

6.3.2 NAV per Share and the RNAV per Share

In assessing the reasonableness of the Issue Price, we have considered using the earnings approach which is commonly used for the valuation of a profitable company as a going concern. As the Group's revenue recognition policy is on a percentage of completion basis and the present outstanding projects in relation to Mayfair Residences and Pavilion Square are soon to be completed, it will not be meaningful to assess the reasonableness of the Issue Price based on the historical earnings of the Group.

As the Group is asset heavy with significant holdings of properties assets, the NAV based valuation approach is more appropriate in valuing the Group.

We have therefore assessed the Issue Price using the NAV based valuation approach, which shows the extent to which the value of each Share is backed by its net assets. The NAV based valuation provides an estimate of the value of a company assuming the hypothetical sale of all its assets over a reasonable period of time and would be more relevant for asset-based companies or where the subject company intends to realise or convert the uses of all or most of its assets. Such a valuation approach would be particularly appropriate when applied in circumstances where the business is to cease operations or where the profitability of the business being valued is not sufficient to sustain an earnings based valuation.

We have evaluated the implied P/NAV ratio and P/RNAV ratio of the Group as ascribed by the Issue Price based on the Group's latest audited NAV of S$53.4 million and RNAV of S$54.8 million as at 31 March 2017.

Based on the Issue Price of S$0.068 and the 627,115,384 issued Shares as at the Latest Practicable Date, the implied market capitalisation of the Company is approximately S$42.6 million.

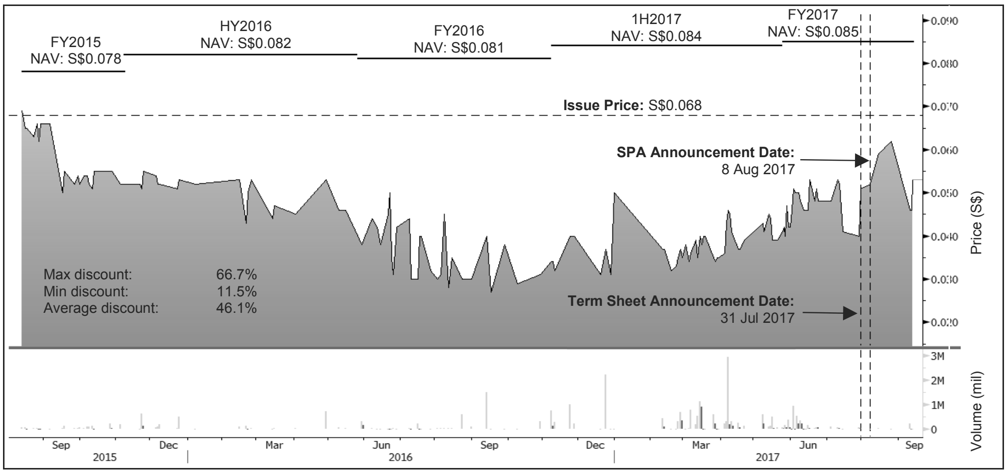
Based on the Group's audited NAV of S$53.4 million as at 31 March 2017, the Issue Price values the Group on a P/NAV ratio of approximately 0.80 times, that is, the Issue Price is at a discount of 20.0% to the NAV per Share.

Based on the Group's revalued NAV of S$54.8 million as at 31 March 2017, the Issue Price values the Group on a P/RNAV ratio of approximately 0.78 times, that is, the Issue Price is at a discount of 22.1% to the revalued NAV per Share.

6.3.3 Shares trading pattern as compared to the historical NAV per Share

We note that the Shares have historically been trading at significant discounts to the reported NAV of the Group. In this regard, we have compared the half-yearly reported NAV per Share as and when announced by the Company against the Share price performance over the last 2 years from 1 August 2015 to 31 July 2017, being the Term Sheet Announcement Date, and up to the Latest Practicable Date.

Share price vs NAV per Share



Source: *Bloomberg L.P. and the unaudited financial results of the Group for the relevant periods*

We observe the following regarding the Share price performance compared to the reported NAV per Share for the period reviewed:

(a) the Shares have been trading at significant discounts below the respective NAV per Share for the relevant periods with an average discount of 46.1%; and

(b) the discounts to the reported NAV of the Group had widened particularly during the period from June 2016 to December 2016. As at the Latest Practicable Date, the Shares were last transacted at a discount of 37.6% to the latest published NAV per Share of S$0.085.

6.3.4 Comparison of the valuation ratios of selected listed companies which are broadly comparable with the Group

For the purpose of assessing the Issue Price, we have also made a comparison against the valuation ratios of selected companies listed on the SGX-ST that are, *inter alia*, engaged in property development in Singapore that can be considered as broad proxies to the Group ("**Comparable Companies**"). For a more meaningful comparison, we have selected such listed companies with a market capitalisation of S$200 million and below. We have had discussions with the Management about the suitability and the reasonableness of the selected Comparable Companies acting as a basis for comparison with the Group.

Relevant information has been extracted from Bloomberg L.P., publicly available annual reports and/or public announcements of the selected Comparable Companies. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The accounting policies of the selected Comparable Companies with respect to the values for which the assets, revenue or cost are recorded may differ from that of the Group.

We wish to highlight that the selected Comparable Companies are not exhaustive and it should be noted that there may not be any listed company that is directly comparable to the Group in terms of location, business activities, customer base, size of operations, asset base, geographical spread of activities, geographical markets, track record, financial performance, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting policies, risk profile and other relevant criteria. As such, any comparison made herein is necessarily limited and it may be difficult to place reliance on the comparison of valuation statistics for the selected Comparable Companies. Therefore, any comparison made serves only as an illustrative guide.

A brief description of the selected Comparable Companies, as extracted from Bloomberg L.P. is set out below:

Company name	Principal business
Heeton Holdings Ltd ("**Heeton**")	Heeton develops and sells private residential properties. The company also manages and invests in residential, retail and commercial properties.
Sing Holdings Limited ("**Sing Holdings**")	Sing Holdings develops residential, commercial, and industrial properties and retains a stake in certain properties.
Goodland Group Ltd ("**Goodland Group**")	Goodland Group develops and sells residential properties in Singapore.
TEE Land Ltd ("**TEE Land**")	TEE Land is a residential and commercial property developer in Singapore. Its property development projects are predominantly freehold in tenure and are targeted at middle-to-high income consumers.

Source: *Bloomberg L.P.*

For the purpose of our evaluation and for illustration, we have made comparison between the Group and the selected Comparable Companies using the P/NAV, also known as the NAV approach, to show the extent the value of each share is backed by its net assets. The NAV approach of valuing a group of companies is based on the aggregate value of all the assets of the group in their existing condition, after deducting the sum of all liabilities of the group. The P/NAV is also an appropriate valuation ratio for comparison purposes as these Comparable Companies are also asset heavy with significant holdings of property assets.

Company name	Last financial year end	Market capitalisation as at SPA Announcement Date (S$'million)	Historical P/NAV ratio[(1)] (times)
Heeton	31 Dec 2016	159.3	0.45
Sing Holdings	31 Dec 2016	154.4	0.60
Goodland Group	30 Sep 2016	90.2	0.48
TEE Land	31 May 2017	87.1	0.55
High			**0.60**
Low			**0.45**
Mean			**0.52**
Median			**0.52**
The Company (implied by the Issue Price)	**31 Mar 2017**	**42.6**	**0.80 (P/NAV)** **0.78 (P/RNAV)**

Source: *Bloomberg L.P. and financial information on the Comparable Companies*

Note:

(1) The P/NAV ratios of the Comparable Companies are computed based on their respective NAV values as set out in their latest published financial statements as at the SPA Announcement Date.

Based on the above, we note that:

(a) the P/NAV ratio of the Group of 0.80 times as implied by the Issue Price is above the higher end of the range of the corresponding P/NAV ratios of the Comparable Companies and hence higher than the mean and median P/NAV ratios of the Comparable Companies; and

(b) the P/RNAV ratio of the Group of 0.78 times as implied by the Issue Price is also above the higher end of the range of the corresponding P/NAV ratios of the Comparable Companies and hence higher than the mean and median P/NAV ratios of the Comparable Companies.

6.4 Dilution impact arising from the Proposed Acquisition on the Minority Shareholders

The 2,132,352,941 Consideration Shares to be issued for the Proposed Acquisition represent 340.0% of the existing number of issued Shares and 77.3% of the enlarged number of Shares after the Proposed Acquisition.

As at the Latest Practicable Date, the Vendor which is the controlling Shareholder, holds 378,789,384 Shares, representing 60.4% of the Company's total number of 627,115,384 issued Shares. Following the Proposed Acquisition, the Vendor's shareholding interest will increase to 91.0% of the enlarged total number of Shares as shown in the table below:

	Existing Shareholding before the Proposed Acquisition		Shareholding after the Proposed Acquisition	
	No. of Shares held	**%**	**No. of Shares held**	**%**
Vendor	378,789,384	60.4	2,511,142,325	91.0
Minority Shareholders	248,326,000	39.6	248,326,000	9.0
Total	**627,115,384**	**100.0**	**2,759,468,325**	**100.0**

Accordingly, Minority Shareholders will have their shareholding interest diluted from 39.6% to 9.0% of the enlarged total number of Shares following the Proposed Acquisition. Of this 9.0%, 5.51% represents the public float after the Proposed Acquisition as disclosed in Section 11 of the Circular.

As the public float will be diluted to less than 10% of the enlarged total number of Shares which is below the minimum free float requirement under Rule 723 of the Catalist Rules, trading in the Shares on the SGX-ST may be suspended until the public float and the shareholding spread requirements are met. In this regard, the Company had disclosed in Section 11 of the Circular that a Compliance Placement and/or Vendor Sale will be undertaken to ensure compliance with Rule 723 of the Catalist Rules on the free float requirement. Shareholders should take note of any announcement in relation to the Compliance Placement and/or Vendor Sale which may be released after the Latest Practicable Date.

6.5 Other relevant considerations

6.5.1 Financial effects of the Proposed Subscription

Details on the financial effects of the Proposed Acquisition are set out in Section 8 of the Circular and are based on the audited financial statements of the Group for FY2017. The financial effects are for illustrative purposes only and do not purport to reflect the actual financial effects or the future financial performance of the Company and the Group after the completion of the Proposed Acquisition.

In summary, based on the Company's audited financial statements for FY2017, we note the following:

(i) Share Capital

Upon completion, 2,132.4 million Consideration Shares will be issued by the Company thereby increasing the number of issued Shares substantially from 627.1 million to 2,759.5 million. Accordingly, the issued share capital base of the Company will also increase.

Based on the last transacted Share price of S$0.053 on 13 September 2017, being the trading day when the Shares were last transacted prior to the Latest Practicable Date, and the outstanding number of Shares as at the Latest Practicable Date, the market capitalisation of the Company was approximately S$33.2 million. As an illustration, following the Proposed Acquisition, the implied market capitalisation of the Company based on the above last transacted Share price and the enlarged number of Shares would be S$146.3 million.

(ii) NTA of the Group and NTA per Share

As at 31 March 2017, the Group's NAV is equivalent to its NTA as the Group does not have any intangible assets.

The Group's NTA will increase due to the issuance of the Consideration Shares and the acquisition of the PAI Properties at fair market value.

The NTA per Share will be diluted as the Issue Price of S$0.068 is at a discount to the NAV per Share of S$0.085 as at 31 March 2017.

As disclosed in Section 2.3 of the Circular, currently the PAI Group adopts revaluation accounting for its investment properties while the Group adopts cost accounting for its investment properties. Post Completion, the PAI Group will adopt cost accounting for its investment properties to be in line with the Group's accounting policy.

(iii) Earnings of the Group and earnings per Share

There will be an immediate dilutive effect on the earnings per Share due to the issuance of a significant number of Consideration Shares. The Proposed Acquisition is, however, expected to be earnings accretive as the PAI Group is profitable.

6.5.2 Vendor remains as the major Shareholder

As at the Latest Practicable Date, the Vendor is a major Shareholder of the Company, holding 60.4% shareholding interest in the Company. After the completion of the Proposed Acquisition, the Vendor remains the major Shareholder of the Company with 91.0% shareholding interest based on the enlarged total number of Shares. Accordingly, the Vendor will be able to pass all ordinary and special resolutions of the Company, except where such resolutions pertain to Interested Person Transactions where the Vendor and its associates are deemed as Interested Persons in the proposed transactions and have to abstain from voting on those proposed transactions.

6.5.3 Commentary by the Company in the unaudited results announcement for FY2017

The Company had made the following comments in relation to its business outlook in its unaudited results announcement for FY2017:

"Based on a news release published by the Urban Redevelopment Authority on 28 April 2017, the private residential property index fell 0.5 point or 0.4% in 1Q 2017 from the last quarter. This is the fourteenth continuous quarter of price decrease. With the various property cooling measures still in place, the Group expects prices in the residential property market to continue to remain moderate in year 2017.

The current property market conditions remain challenging. The Group is cautious when seeking opportunities such as accretive lands and investment assets which can provide sustainable return to shareholders.

Barring any unforeseen circumstances, the Group believes that with the continued growth of the operation of Louis Kienne Serviced Residences at 554 Havelock Road as well as the growth of the associate fund management company, Stirling Fort Capital Pte Ltd, their revenue streams will widen and provide a stable long term recurring income."

6.5.4 Inter-conditionality of the Proposed Acquisition and the proposed allotment and issuance of Consideration Shares

For the purpose of the Proposed Acquisition, the Company has put forth two ordinary resolutions for Shareholders to approve at the EGM, that is, (i) the Proposed Acquisition; and (ii) the proposed allotment and issuance of 2,132,352,941 Consideration Shares. These two resolutions are in effect pertaining to the same transaction, being the Proposed Acquisition. As such, the two resolutions are inter-conditional upon each other. In the event that either of the resolutions is not approved, the other resolution will not be passed.

7. OUR OPINION

In arriving at our opinion in respect of the Proposed Acquisition as an Interested Person Transaction, we have reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment:

(a) rationale for the Proposed Acquisition;

(b) assessment of the Consideration for the Proposed Acquisition;

(c) assessment of the Issue Price for the Consideration Shares;

(d) dilution impact arising from the Proposed Acquisition on the Minority Shareholders; and

(e) other relevant considerations.

Overall, based on our analysis and after having considered carefully the information available to us, we are of the opinion that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its Minority Shareholders.

Our opinion, as disclosed in this letter, is based on publicly available information and information provided by the Directors and Management and does not reflect any projections of future financial performance of the Company and/or the Group after the completion of the Proposed Acquisition. In addition, our opinion is based on the economic and market conditions prevailing as at the Latest Practicable Date and is solely confined to our views on the Proposed Acquisition as an Interested Person Transaction.

This Letter is addressed to the Independent Directors for their benefit and for the purpose of their consideration of the Proposed Acquisition as an Interested Person Transaction. The recommendation to be made by them to the Minority Shareholders shall remain their responsibility. Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose, other than for the purpose of the EGM, and for the purpose of the Proposed Acquisition as an Interested Person Transaction, at any time and in any manner without the prior written consent of Provenance Capital in each specific case.

Our opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Wong Bee Eng
Chief Executive Officer

CUSHMAN & WAKEFIELD

Valuation of 238 Orchard Boulevard #41-05, The Orchard Residences, Singapore 237973

VALUATION CERTIFICATE

Client:	The Board of Directors Pollux Properties Ltd
Date of Valuation:	30 June 2017
Property:	**238 Orchard Boulevard #41-05, The Orchard Residences, Singapore 237973**
Legal Description:	Lot U7977L of Town Subdivision 21
Interest Valued:	Leasehold 99 years commencing from 13 March 2006
Brief Description of Property:	A 3-bedroom apartment with a private lobby, located on the 41st storey within a 56-storey tower block
Town Planning:	Zoned "Commercial" use with plot ratio 5.6+ in the Master Plan (2014 Edition)
Strata Floor Area (SFA):	265.0 sq m (approximately 2,852 sq ft)
Year of Completion:	Circa 2010
Condition:	Good and well maintained
Occupancy Details:	The property was tenanted at the time of inspection.
Method of Valuation:	Comparison Method
Market Value as at 30 June 2017:	**SGD9,800,000/-** **(Singapore Dollars Nine Million and Eight Hundred only)**
Value per SFA:	SGD3,436 per square foot
Remarks:	This Valuation Certificate is a summary of the full report dated 10 August 2017 that Cushman & Wakefield have carried out and it does not contain all the necessary information, assumptions and limiting conditions that are included in the report. Further reference may be made to the report, copy of which is held by Pollux Properties Ltd.

Yours faithfully
For and on behalf of
CUSHMAN & WAKEFIELD VHS PTE. LTD.

Chew May Yenk
Executive Director - Valuation & Advisory,
MSISV
Licensed Appraiser No AD41-2004419H

CUSHMAN & WAKEFIELD

Valuation of 31 Tanglin Road #11-02, St Regis Residences, Singapore 247912

VALUATION CERTIFICATE

Client:	The Board of Directors Pollux Properties Ltd
Date of Valuation:	30 June 2017
Property:	**31 Tanglin Road #11-02 St Regis Residences Singapore 247912**
Legal Description:	Lot U10750K of Town Subdivision 24
Interest Valued:	Leasehold 999 years commencing from 24 November 1995
Brief Description of Property:	A 4-bedroom luxury apartment with a private lift lobby, located on the 11th storey of a 23-storey residential block at St Regis Residences
Town Planning:	Zoned "Commercial & Residential" use with plot ratio 4.2+ in the Master Plan (2014 Edition)
Strata Floor Area (SFA):	231.0 sq m (approximately 2,486 sq ft)
Year of Completion:	Circa 2009
Condition:	Good and well maintained
Occupancy Details:	The property was tenanted at the time of inspection.
Method of Valuation:	Comparison Method
Market Value as at 30 June 2017:	**SGD5,700,000/- (Singapore Dollars Five Million and Seven Hundred Thousand only)**
Value per SFA:	SGD2,293 per square foot
Remarks:	This Valuation Certificate is a summary of the full report dated 10 August 2017 that Cushman & Wakefield have carried out and it does not contain all the necessary information, assumptions and limiting conditions that are included in the report. Further reference may be made to the report, copy of which is held by Pollux Properties Ltd.

Yours faithfully
For and on behalf of
CUSHMAN & WAKEFIELD VHS PTE. LTD.

Chew May Yenk
Executive Director - Valuation & Advisory,
MSISV
Licensed Appraiser No AD41-2004419H

CUSHMAN & WAKEFIELD

Valuation of 12 Apartment Units in 57B Devonshire Road, The Suites at Central, Singapore 239899

VALUATION CERTIFICATE

Client: The Board of Directors
Pollux Properties Ltd

Date of Valuation: 30 June 2017

Property: **12 Apartment Units in 57B Devonshire Road The Suites at Central Singapore 239899**

Legal Description:

Unit No.	Legal Description (Town Subdivision 21)
Block 57B	
#02-04, #03-04, #04-04, #05-04, #06-04, #07-04	U7093V, U7094P, U7095T, U7096A, U7097K U7098N respectively
#04-05, #05-05, #07-05,	U7116W, U7117V, U7119T respectively
#02-06, #03-06, #26-06	U7146M, U7147W, U7170T respectively

Interest Valued: Estate in Fee Simple (Freehold)

Brief Description of Property: The Property consists of eight units of 3-bedroom and three units of 4-bedroom apartments and a 4-bedroom penthouse with roof terrace, located within the 33-storey block 57B

Town Planning: Zoned "Residential" use with plot ratio 2.8 in the Master Plan (2014 Edition)

Strata Floor Area (SFA):

No	Unit No.	Strata Floor Area (sq m)	Area (sq ft)
1	#02-04	135.0	1,453
2	#03-04	127.0	1,367
3	#04-04	131.0	1,410
4	#05-04	125.0	1,345
5	#06-04	128.0	1,378
6	#07-04	128.0	1,378
7	#04-05	156.0	1,679
8	#05-05	164.0	1,765
9	#07-05	161.0	1,733
10	#02-06	134.0	1,442
11	#03-06	137.0	1,475
12	#26-06	341.0	3,670

Year of Completion: Circa 2009

Condition: Good and well maintained

CUSHMAN & WAKEFIELD

Valuation of 12 Apartment Units in 57B Devonshire Road, The Suites at Central, Singapore 239899

Occupancy Details:	All units were tenanted at the time of inspection.
Method of Valuation:	Comparison Method
Aggregate Market Value as at 30 June 2017:	**SGD40,700,000/-** **(Singapore Dollars Forty Million and Seven Hundred Thousand only)**
Aggregate Value per SFA:	SGD2,025 per square foot
Remarks:	This Valuation Certificate is a summary of the full report dated 10 August 2017 that Cushman & Wakefield have carried out and it does not contain all the necessary information, assumptions and limiting conditions that are included in the report. Further reference may be made to the report, copy of which is held by Pollux Properties Ltd.

Yours faithfully
For and on behalf of
CUSHMAN & WAKEFIELD VHS PTE. LTD.

Chew May Yenk
Executive Director - Valuation & Advisory,
MSISV
Licensed Appraiser No AD41-2004419H

CUSHMAN & WAKEFIELD

Valuation of 40A Orchard Road, The MacDonald House, Singapore 238838

VALUATION CERTIFICATE

Client:	The Board of Directors Pollux Properties Ltd
Date of Valuation:	30 June 2017
Property:	**40A Orchard Road, The MacDonald House, Singapore 238838**
Legal Description:	Lot 99139T and 99780W Town Subdivision 19
Interest Valued:	Estate In Fee Simple
Brief Description of Property:	The MacDonald House is a 10-storey commercial development with a mezzanine level and roof terraces. It comprises a banking hall on its 1st storey and mezzanine level, offices from 2nd to 10th storeys and roof terraces on 9th and 10th storeys. It has been classified as a Monument subject to a Preservation Order under the Preservation of Monument Act as at 10 February 2003.
Town Planning:	Zoned "Commercial" use with plot ratio 4.9+ in the Master Plan (2014 Edition)
Land Area:	TS19- 99139T 1,321.4 sq m TS19- 99780W 93.9 sq m Total 1,415.3 sq m
Net Lettable Area (NLA):	Approximately 8,243.0 square metres or 88,727 square feet – according to information provided
Year of Completion:	The building was completed circa late 1940's but we understand that it had undergone extensive additions and alteration works in 2004 and further improvement works in 2013
Condition:	Good and well maintained
Tenancy Details:	The building was let out to a total of 4 tenants and the office units on the 2nd and 3rd storeys were vacant at the time of inspection.
Method of Valuation:	Comparison Method
Market Value as at 30 June 2017:	**SGD228,000,000/-** **(Singapore Dollars Two Hundred and Twenty-Eighty Million only)**
Value per NLA:	SGD2,570 per square foot

CUSHMAN & WAKEFIELD

Valuation of 40A Orchard Road, The MacDonald House, Singapore 238838

Remarks: This Valuation Certificate is a summary of the full report dated 10 August 2017 that Cushman & Wakefield have carried out and it does not contain all the necessary information, assumptions and limiting conditions that are included in the report. Further reference may be made to the report, copy of which is held by Pollux Properties Ltd.

Yours faithfully
For and on behalf of
CUSHMAN & WAKEFIELD VHS PTE. LTD.

Chew May Yenk
Executive Director - Valuation & Advisory
MSISV
Licensed Appraiser No AD41-2004419H

INDEPENDENT AUDITOR'S REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS OF POLLUX ALPHA INVESTMENTS LTD, INCORPORATED IN BRITISH VIRGIN ISLANDS, FOR THE FINANCIAL YEARS ENDED 31 MARCH 2015 AND 31 MARCH 2016

The Board of Director
Pollux Alpha Investments Ltd
Portcullis Trustnet Chambers,
P.O. Box 3444, Road Town,
Tortole, British Virgin Islands

REPORT ON THE AUDIT OF THE COMBINED FINANCIAL STATEMENTS

Opinion

We have audited the combined financial statements of Pollux Alpha Investments Ltd (the company) and its subsidiaries (the group) set out in Appendix D of Pollux Properties Ltd.'s Circular to Shareholders dated 29 September 2017 (the Circular), which comprise the combined consolidated statements of financial position of the group and the combined statement of financial position of the company as at 31 March 2015 and 31 March 2016, and the combined consolidated statements of comprehensive income, combined consolidated statements of cash flows for each of the financial years ended 31 March 2015 and 31 March 2016, and notes to the combined financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying combined consolidated financial statements of the group and the combined statement of financial position of the company are properly drawn up in accordance with the International Financial Reporting Standards (IFRSs) so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 31 March 2015 and 31 March 2016 and of the consolidated financial performance of the group for each of the financial years ended 31 March 2015 and 31 March 2016.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the combined financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Circular issued on 29 September 2017.

Our opinion on the combined financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

REPORT ON THE AUDIT OF THE COMBINED FINANCIAL STATEMENTS (cont'd)

Other Information (cont'd)

In connection with our audit of the combined financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the combined financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matter

The opening balances of the combined financial statements for the financial year ended 31 March 2015 were unaudited.

Responsibilities of Management and Director for the Combined Financial Statements

Management is responsible for the preparation of combined financial statements that give a true and fair view in accordance with the IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair combined financial statements and to maintain accountability of assets.

In preparing the combined financial statements, management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The director's responsibilities include overseeing the group's financial reporting process.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

INDEPENDENT AUDITOR'S REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS OF POLLUX ALPHA INVESTMENTS LTD, INCORPORATED IN BRITISH VIRGIN ISLANDS, FOR THE FINANCIAL YEARS ENDED 31 MARCH 2015 AND 31 MARCH 2016

REPORT ON THE AUDIT OF THE COMBINED FINANCIAL STATEMENTS (cont'd)

Auditor's Responsibilities for the Audit of the Combined Financial Statements (cont'd)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the combined financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS OF POLLUX ALPHA INVESTMENTS LTD, INCORPORATED IN BRITISH VIRGIN ISLANDS, FOR THE FINANCIAL YEARS ENDED 31 MARCH 2015 AND 31 MARCH 2016

RESTRICTION ON DISTRIBUTION AND USE

This report is made solely to you as a body for the inclusion in the Circular of Pollux Properties Ltd. to be issued in relation to Pollux Properties Ltd.'s proposed acquisition of the company.

CYPRESS SINGAPORE PAC
Public Accountants and
Chartered Accountants
Singapore

15 September 2017

POLLUX ALPHA INVESTMENTS LTD
(Formerly known as Dream Paradise Development Corporation)
(Incorporated in British Virgin Islands)

BOARD OF DIRECTOR

Nico Purnomo Po

AUDITOR

Cypress Singapore PAC
Public Accountants & Chartered Accountants, Singapore

DATE OF INCORPORATION

07 August 2008

REGISTERED OFFICE

Portcullis Trustnet Chambers
P. O. Box 3444, Road Town
Tortole, British Virgin Islands

POLLUX ALPHA INVESTMENTS LTD
(Formerly known as Dream Paradise Development Corporation)
(Incorporated in British Virgin Islands)

STATEMENT BY DIRECTOR

In the opinion of the director, the accompanying financial statements and the notes thereon are drawn up so as to give a true and fair view of the state of affairs of the group and the company as at 31 March 2016 and of the changes in equity of the group and of the company, of the results and cash flows of the group for the year ended on that date and at the date of this statement, there are reasonable grounds to believe that the company, with the financial support from its holding company, will be able to pay its debts as and when they fall due.

ON BEHALF OF THE BOARD

NICO PURNOMO PO
DIRECTOR

Singapore
15 November 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLLUX ALPHA INVESTMENTS LTD
(Formerly known as Dream Paradise Development Corporation)
(Incorporated in British Virgin Islands)

REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Pollux Alpha Investments Ltd ("the company") and its subsidiaries ("the group") which comprise the statements of financial position of the group and the company as at 31 March 2016, statement of comprehensive income, statement of changes in equity and statement of cash flows of the group and the statement of changes in equity of the company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
POLLUX ALPHA INVESTMENTS LTD
(Formerly known as Dream Paradise Development Corporation)
(Incorporated in British Virgin Islands)

REPORT ON FINANCIAL STATEMENTS (cont'd)

Opinion

In your opinion, the consolidated financial statements of the group and the statement of financial position and statement of equity of the company are properly drawn up in accordance with the IFRS so as to present fairly, in all material aspects, financial position of the group and of the company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the group and changes in equity of company for the year ended on that date.

CYPRESS SINGAPORE PAC
Public Accountants and
Chartered Accountants
Singapore

15 November 2016

POLLUX ALPHA INVESTMENTS LTD
(Formerly known as Dream Paradise Development Corporation)
(Incorporated in British Virgin Islands)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	GROUP 2016 SGD	GROUP 2015 SGD	COMPANY 2016 SGD	COMPANY 2015 SGD
SHARE CAPITAL	3	164,000,001	1	164,000,001	1
UNAPPROPRIATED PROFITS/(ACCUMULATED LOSSES)		181,231	161,276,664	59,658	(23,190)
		164,181,232	161,276,665	164,059,659	(23,189)
Represented by:					
NON CURRENT ASSETS					
Subsidiaries	4	–	–	164,100,048	48
Investment properties	5	250,658,000	250,658,000	–	–
Plant and equipment	6	1,692,201	799,488	–	–
CURRENT ASSETS					
Investments	7	170,250	263,250	–	–
Trade receivables	8	86,095	35,637	–	–
Non trade receivable from the holding company	9	56,018,881	–	56,018,881	–
Non trade receivable from related parties	9	599	74,376,566	–	–
Other receivables, deposits and prepayments	10	58,387	212,149	–	–
Cash at banks		9,860,422	9,464,808	–	–
		66,194,634	84,352,410	56,018,881	–
Less:					
CURRENT LIABILITIES					
Trade payables		455,673	483,550	–	–
Non trade payable to a director	9	51	60	51	60
Non trade payable to related parties	9	–	19,409,481	–	6,913
Non trade payable to subsidiaries	9	–	–	56,026,691	
Other payables, deposits and accruals	11	2,590,946	3,343,168	32,528	16,264
Bank term loans (secured)	12	150,212,703	150,211,882	–	–
Provision for taxation	13	1,102,381	1,083,243	–	–
		154,361,754	174,531,384	56,059,270	23,237
NET CURRENT LIABILITIES		(88,167,120)	(90,178,974)	(40,389)	(23,237)
		164,183,081	161,278,514	164,059,659	(23,189)
NON CURRENT LIABILITY					
Deferred tax liability	14	1,849	1,849	–	–
		164,181,232	161,276,665	164,059,659	(23,189)

The accompanying notes from an integral part of the financial statements.

POLLUX ALPHA INVESTMENTS LTD
(Formerly known as Dream Paradise Development Corporation)
(Incorporated in British Virgin Islands)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 SGD	2015 SGD
REVENUE			
Rental income		9,788,367	8,870,247
Season parking income		33,739	37,530
Advertising income		30,287	30,558
Income from air conditioning usage		178,880	182,650
Electricity fee income		9,600	9,600
Dividend income		13,485	14,665
		10,054,358	9,145,250
OTHER INCOME			
Fair value gain on quoted investments		–	15,079
Gain on disposal of subsidiaries		1,245	2,381,287
Gain on foreign exchange		–	280
Income on early termination of rental		–	200,619
Other income		5,287	1,296
		10,060,890	11,743,811
LESS: OPERATING EXPENSES			
Accounting fees		–	32,320
Allowance for impairment losses		–	(8,500)
Building repair and maintenance		(304,712)	(405,728)
Bank term loan interest		(3,070,811)	(2,511,774)
Upkeep of buildings		(588,896)	(627,628)
Commission expenses		(27,007)	(142,951)
Consultancy fees		(3,500)	(12,950)
Depreciation of plant and equipment		(162,973)	(131,493)
Fair value loss on investment properties		–	(482,044)
Fair value loss on quoted investments		(93,000)	–
Insurance		(8,472)	(7,149)
Legal and professional fee		(3,478)	(18,848)
Management fee		(264,524)	(262,990)
Property tax		(602,090)	(668,511)
Repair and maintenance		(21,527)	(12,813)
Sinking fund		(11,937)	(6,666)
Tax service fee		(4,639)	(18,322)
Telephone charges		(2,317)	(4,806)
Upkeep of motor vehicle		(49,802)	(63,758)
Upkeep of units		(2,579)	(15,384)
Other operating expenses		(112,313)	(124,126)
		(5,334,577)	(5,494,121)
PROFIT BEFORE TAXATION		4,726,313	6,249,690
TAXATION	15	(1,821,746)	(385,588)
NET PROFIT FOR THE YEAR AND CARRIED FORWARD TO THE NEXT PAGE		2,904,567	5,864,102

The accompanying notes from an integral part of the financial statements.

POLLUX ALPHA INVESTMENTS LTD
(Formerly known as Dream Paradise Development Corporation)
(Incorporated in British Virgin Islands)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016 (CONT'D)

	Note	2016 SGD	2015 SGD
NET PROFIT FOR THE YEAR BROUGHT FORWARD FROM PREVIOUS PAGE		2,904,567	5,864,102
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit and loss		–	–
Items that will not be reclassified subsequently to profit and loss		–	–
Other comprehensive income, net of tax		–	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,904,567	5,864,102
Profits attributable to:			
Equity holder of the parent		2,904,567	5,864,102
Non controlling interest		–	–
		2,904,567	5,864,102
Total comprehensive income attributable to:			
Equity holder of the parent		2,904,567	5,864,102
Non controlling interest		–	–
		2,904,567	5,864,102

The accompanying notes form an integral part of the financial statements.

POLLUX ALPHA INVESTMENTS LTD
(Formerly known as Dream Paradise Development Corporation)
(Incorporated in British Virgin Islands)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

GROUP

	Share Capital SGD	Unappropriated Profits SGD	Total SGD
BALANCE AS AT 1 APRIL 2014	1	155,412,562	155,412,563
Total comprehensive income for the year	–	5,864,102	5,864,102
BALANCE AS AT 31 MARCH 2015	1	161,276,664	161,276,665
Total comprehensive income for the year	–	2,904,567	2,904,567
Dividend paid	–	(164,000,000)	(164,000,000)
Issuance of shares	164,000,000	–	164,000,000
BALANCE AS AT 31 MARCH 2016	164,000,001	181,231	164,181,232

COMPANY

	Share Capital SGD	(Accumulated Losses)/ Unappropriated profits SGD	Total SGD
BALANCE AS AT 1 APRIL 2014	1	(6,018)	(6,017)
Total comprehensive income for the year	–	(17,172)	(17,172)
BALANCE AS AT 31 MARCH 2015	1	(23,190)	(23,189)
Total comprehensive income for the year	–	164,082,848	164,082,848
Dividend paid	–	(164,000,000)	(164,000,000)
Issuance of shares	164,000,000	–	164,000,000
BALANCE AS AT 31 MARCH 2016	164,000,001	59,658	164,059,659

The accompanying notes form an integral part of the financial statements.

POLLUX ALPHA INVESTMENTS LTD
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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 SGD	2015 SGD
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		4,726,313	6,249,690
Adjustment for:			
Allowance for impairment losses		–	8,500
Depreciation of plant and equipment		162,973	131,493
Fair value loss on investment properties		–	482,044
Fair value loss/(gain) on quoted investments		93,000	(15,079)
Dividend income		(13,485)	(14,665)
Bank term loan interest		3,070,811	2,511,774
Overdraft interest		90	6
Gain on disposal of subsidiaries		(1,245)	(2,381,287)
Operating cash flows before working capital changes		8,038,457	6,972,476
Changes in working capital:			
Trade and other receivables		103,304	(180,015)
Trade and other payables		(780,099)	1,229,539
		(676,795)	1,049,524
Cash effect of operating activities		7,361,662	8,022,000
Income tax (paid)/refunded		(1,802,608)	598,164
Overdraft interest paid		(90)	(6)
NET CASH EFFECT OF OPERATING ACTIVITIES		5,558,964	8,620,158
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipments		(1,055,686)	–
Net cash effect on disposal of subsidiaries	16	(10)	(13,885)
Dividend income received		13,485	14,665
NET CASH EFFECT OF INVESTING ACTIVITIES		(1,042,211)	780
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment to)/advance from related parties		(1,051,140)	200,983
Repayment of bank term loan		–	(285,706)
Repayment to a director		(9)	(53)
Bank term loans interest paid		(3,069,990)	(2,511,774)
NET CASH EFFECT OF FINANCING ACTIVITIES		(4,121,139)	(2,596,550)
NET CHANGES IN CASH AND CASH EQUIVALENTS		395,614	6,024,388
CASH AND CASH EQUIVALENTS AS AT 1 APRIL	17	9,464,808	3,440,420
CASH AND CASH EQUIVALENTS 31 MARCH	17	9,860,422	9,464,808

The accompanying notes form an integral part of the financial statements.

POLLUX ALPHA INVESTMENTS LTD
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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

1. GENERAL INFORMATION

The company is incorporated in the British Virgin Islands.

The immediate and ultimate holding company is Pollux Holdings Pte. Ltd., incorporated in Singapore. The company is wholly owned by Pollux Holdings Pte. Ltd..

The principal activity of the company is that of investment holdings.

The principal activities of the subsidiaries are disclosed in note 4 to the financial statements.

On 13 November 2015, the company changed its name from Dream Paradise Development Corporation to Pollux Alpha Investments Ltd.

The company's registered address is at Portcullis Trustnet Chambers, P.O.Box 3444, Road Town, Tortole, British Virgin Islands.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Going concern basis

Although the group and the company have net current liabilities of SGD88,167,120 and SGD40,389 respectively as at 31 March 2016, the financial statement have been prepared on a going concern basis as the director is of the opinion that the group and the company are able to obtain continual financial support from its holding company to ensure the group and the company continue as a going concern.

2.2 Basis of accounting

The financial statements and consolidated financial statements are prepared in compliance with International Financial Reporting Standards issued by International Accounting Standards Board (IASB).

The financial statements and consolidated financial statements are presented in Singapore Dollar.

The financial statements and consolidated financial statements are prepared in accordance with the historical cost convention except as disclosed in the accounting policies below.

The financial statements and consolidated financial statements for the financial year ended 31 March 2016 are authorised to be issued on the date of the Statement by Director.

POLLUX ALPHA INVESTMENTS LTD
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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

2. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

2.3 **Adoption of new and revised Financial Reporting Standards**

The accounting policies adopted in the financial year are consistent with those used in the previous financial year except for the adoption of certain new and revised International Financial Reporting Standards effective for the financial period beginning 1 April 2015.

These new and revised International Financial Reporting Standards have no significant effects on the group's and the company's accounting policies.

2.4 **Issued but not yet effective Financial Reporting Standards**

As at the date of this report, no relevant new or revised International Financial Reporting Standards that have been issued but not yet come into effect have been applied. These relevant new and revised standards upon adoption will not have significant impact on the financial statements.

2.5 **Significant judgments by the director in applying accounting policies**

In the process of applying the group's and the company's accounting policies, the director did not made any significant judgments, apart from those involving estimations, that have significant effects on the amounts recognised in the financial statements.

2.6 **Key sources of estimation uncertainty**

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the financial year. Although these estimates are based on the director's best knowledge of current events and actions, actual results may differ from those estimates.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

2. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

2.6 **Key sources of estimation uncertainty (cont'd)**

There were no significant key assumptions concerning the future, nor other key sources of estimation uncertainty at the year end that would have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except for:–

(i) Impairment of assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(ii) Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The group and the company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) Allowance for doubtful debts of receivables

The group and the company make allowance for doubtful debts based on assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

2. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

2.6 **Key sources of estimation uncertainty (cont'd)**

(iv) Fair value of investment properties

The fair value of investment properties are determined based on valuations performed by experienced and competent appraisers. Any gain or loss from a change in the fair value of each investment property is included in the statement of comprehensive income in the year in which the change arises.

2.7 **Basis of consolidation**

The consolidated financial statements include the financial statements of the company and all its subsidiaries as at year end. A subsidiary is an entity which the group has the power to govern the financial and operating policies so as to obtain benefits from its activities. The group generally has such power when it directly or indirectly holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors. The financial statements of the subsidiary are prepared for the same reporting date as the company. The financial statements of the subsidiary used for consolidation purpose adopt accounting policies that are consistent with that of the company.

Inter-company transactions are eliminated on consolidation and consolidated financial statements reflect external transactions only.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the group controls the subsidiary companies. Consolidation ceases from the date the group no longer controls the subsidiaries.

The consolidated financial statements of the group have been prepared under the "pooling-of-interest" method. Under this method, the company has been treated as the holding company of all its subsidiaries under common control since the earliest date the entities are under common control.

Pursuant to this:

– the assets and liabilities are brought into the financial statements at their existing carrying amounts from the perspective of the controlling party;

– the income statements include the results of the acquired entities, since the earliest date the entities are under common control;

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

2. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

2.7 **Basis of consolidation (cont'd)**

– the comparative figures of the group represent the statement of comprehensive income, statement of cash flows and statement of changes in equity have been prepared as if the combination had occurred from the date when the combining entities or business first come under common control;

– the cost of investment is recorded at the aggregate of the nominal value of cash paid; and

– on consolidation, the difference between the cost of investment and the normal value of the share capital of the merged subsidiaries are taken to merger reserve. Cash paid/payable arising from the acquisition under common control is also taken to the merger reserve.

Non-controlling interests are part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the company. They are shown separately in the consolidated of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if these results in the non-controlling interests have a deficit balance.

2.8 **Plant and equipment and depreciation**

Plant and equipment are initially stated at cost. Subsequent to initial recognition, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use. Depreciation is provided on gross carrying amounts less residual value in equal annual installments over the estimated lives of the assets. The annual rates of depreciation are as follows:

	% per annum
Furniture and fittings	20
Plant and equipment	20
Air-conditioners	20
Office equipment	20
Motor vehicles	10

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

2. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

2.8 **Plant and equipment and depreciation (cont'd)**

The residual value and the useful life of an asset is reviewed at each year end, and if expectations are different from previous estimates, changes are made to the depreciation charge for the remaining undepreciated amount.

Fully depreciated assets are retained in the financial statements until they are no longer in use or disposed and no further charges for depreciation is made in respect of these assets. Any gain or loss arising from the derecognition of the asset is recognised in the statement of comprehensive income.

When events or changes in circumstances indicate that the carrying amount of an asset is not recoverable, impairment loss is recognised in the statement of comprehensive income.

2.9 **Investment property**

Investment property is held to earn rentals or for capital appreciation or both. Investment property is measured initially at its cost plus transaction costs. Subsequently, at each year end, the group and the company measure all its investment properties at fair value. A gain or loss arising from the change in fair value of investment property shall be recognised in the statement of comprehensive income in the period such gain or loss arises.

An investment property is derecognised from the statement of financial position on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the investment property.

Such gains or losses are recognised in the statement of comprehensive income in the period of retirement or disposal.

2.10 **Subsidiaries**

A subsidiary is a company, in which the group, directly or indirectly, holds more than half of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

Investments in subsidiaries are stated at cost less impairment losses.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

2. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

2.11 **Financial assets**

Financial assets other than investment in subsidiaries are classified as 'financial assets at fair value through profit or loss', 'loans and receivables', 'held-to-maturity investments', or 'available-for-sale' financial assets. Financial assets are recognised in the balance sheet when the company becomes a party to the contractual provisions of the financial assets.

All financial assets are initially recognised at fair value plus any directly attributable transactional costs, except for 'financial assets at fair value through profit or loss' which are measured at fair value only. The classification of financial assets, after initial recognition, is re-evaluated and reclassified where allowed and appropriate.

Derivatives financial instruments are classified as 'financial assets at fair value through profit or loss' unless they are designated as effective hedging instruments. Gains or losses of derivatives not designated as effective hedging instruments are recognised in the statement of comprehensive income.

2.12 **Investments**

An investment is classified as fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the group and the company manage such investments and makes purchase and sale decisions based on their fair value in accordance with the group's and the company's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Financial assets designated at fair value through profit or loss comprise equity securities that otherwise would have been classified as a available-for-sale.

For quoted investments, fair value is determined with reference to the published price quotation in an active public securities market.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

2. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

2.12 **Investments (cont'd)**

For unquoted investments, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions. Reference to the current market value of another instrument (which is substantially the same) or discounted cash flow analysis. For investments where there is no active market and where fair value cannot be reliably measured, they are measured at cost less accumulated impairment losses.

2.13 **Cash at banks**

Cash at bank is classified and accounted for as 'loans and receivable' as they are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortised cost using the effective interest method.

Gains or losses are recognised in the statement of comprehensive income when these loans and receivables are derecognised or impaired, as well as through the amortisation process.

2.14 **Trade and other receivables**

Trade and other receivables including non-trade receivable from holding company and related parties are classified and accounted for as 'loans and receivables' as they are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortised cost using the effective interest method.

The carrying amount of trade and other receivables impaired due to non-recovery is reduced by an allowance account unless on the date of which the impairment loss is recognised, the company ascertains the amount to be uncollectible whereby it would be reduced directly. In subsequent periods, when a receivable is ascertained to be uncollectible, it is written off against the allowance account.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. Individual receivable is written off when management deems the amount not to be collectible.

Gains or losses are recognised in the statement of comprehensive income when these loans and receivables are derecognised or impaired, as well as through the amortisation process.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

2. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

2.15 **Cash and cash equivalents**

Cash and cash equivalents included in the statement of cash flows comprise cash on hand, non restricted bank balances and fixed deposits with original maturity of three months or less, net of bank overdrafts which are repayable on demand.

2.16 **Impairment of assets**

As at each year end, assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income unless it reverses a previous revaluation credited to reserve. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount realisable from the sale of the asset in an arm's length transaction. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if impossible to be estimated individually, for the cash-generating unit in which the asset is deployed.

Reversal of an impairment loss previously recognised is recorded to the extent the impairment loss had previously been recognised. A reversal of an impairment loss on a revalued asset is credited directly to reserve, unless the impairment loss on the same revalued asset was previously expensed in the statement of comprehensive income, in which case it is recognised as income.

2.17 **Trade and other payables**

These liabilities, which are normally settled on 30 – 90 day terms, and non trade payable to subsidiaries is financial liabilities. Financial liabilities are recognised in the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

2. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

2.18 **Bank borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable borrowing transaction costs.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method.

Gains or losses are recognised in the statement of comprehensive income when these liabilities are derecognised or impaired, as well as through the amortisation process.

2.19 **Borrowing costs**

All borrowing costs are recognised as expenses in the period when they are incurred.

2.20 **Provision**

Provisions are recognised when the group and the company have a present obligation as a result of a past event which is probable and will result in an outflow of economic benefits that can be reliably estimated.

2.21 **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets after deducting all liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

2.22 **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

2.23 **Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, net of goods and services tax, rebates and discounts.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

2. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

2.23 **Revenue recognition (cont'd)**

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow in and specific criteria have been met for each of the activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the transaction have been resolved. In recognising revenue, estimates based on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement are considered.

(i) Rental income is recognised based on time apportioned basis.

(ii) Season parking income is recognised based on time apportioned basis.

(iii) Advertising income is recognised based on time apportioned basis.

(iv) Income from air-conditioning usage is recognised upon service rendered.

(v) Electricity fee income is recognised upon service rendered.

(vi) Dividend income is recognised when the right to receive payment is established.

2.24 **Operating lease**

Lease rental under operating (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

2.25 **Functional currency**

Functional currency is the currency of the primary economic environment in which the entity operates. The financial statements are prepared using Singapore Dollar as the functional currency.

2.26 **Foreign currency transactions**

Foreign currencies transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount to the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. All transactions in currencies other than the functional currency are treated as transaction in foreign currencies.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

2. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

2.26 **Foreign currency transactions (cont'd)**

At the year end, foreign currency monetary assets and liabilities are converted into the functional currency at the spot rate at year end. Exchange differences are taken to the statement of comprehensive income.

2.27 **Dividend payments**

Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders at the Annual General Meeting.

2.28 **Offsetting financial instruments**

Certain financial assets and liabilities offset each other and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle them on a net basis, or realise the asset and settle the liability simultaneously.

3. **SHARE CAPITAL**

	GROUP/COMPANY	
	2016	**2015**
	SGD	**SGD**
Issued and fully paid 116,378,088 (2015: 1) ordinary shares	164,000,001	1
Number of shares		
As at 1 April	1	1
Issuance of 116,378,087 ordinary shares	116,378,087	–
As at 31 March	116,378,088	1

During the year, 116,378,087 ordinary shares of USD1 each was allotted as fully paid up shares. These shares are paid for by offsetting the dividend of USD116,378,087 (equivalent to SGD164,000,000) payable by the company to the shareholder of the company.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

4. **SUBSIDIARIES**

	2016 SGD	2015 SGD
Unquoted equity shares, at cost	164,100,052	62
Accumulated impairment loss		
Balance as at 1 April	14	–
Impairment loss for the year	–	14
Reversal of impairment loss	(10)	–
Balance as at 31 March	(4)	(14)
	164,100,048	48

The subsidiaries are:–

Name of companies	Place of incorporation	Effective equity interest 2016 %	Effective equity interest 2015 %	Cost of investment 2016 SGD	Cost of investment 2015 SGD	Principal activities
Tinifia Investment Pte. Ltd.	Singapore	100	100	164,100,003	3	Investment holdings
Richmond View Investment Pte. Ltd.	Singapore	100	100	2	2	Property investment holdings
Orchard Residence Investment Pte. Ltd.	Singapore	100	100	2	2	Investment holdings
Pollux Healthcare Worldwide Pte. Ltd. (Formerly known as World Financial Tower)	Singapore	100	100	–	10	Struck off during the year
Symbianta Worldwide Inc.	British Virgin Islands	100	100	15	15	Investment holdings, investment in properties and renting of properties
Savers Investment Ltd	British Virgin Islands	100	100	15	15	Investment holdings, investment in properties and renting of properties
Cherimoya Worldwide Corporation	British Virgin Islands	100	100	15	15	Investment holdings, investment in properties and renting of properties
				164,100,052	62	

All the above subsidiaries are audited by Cypress Singapore PAC except for Pollux Healthcare Worldwide Pte. Ltd.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

5. INVESTMENT PROPERTIES

	GROUP SGD
As at 1 April 2014	251,140,044
Net loss arising from the changes in the fair values	(482,044)
As at 31 March 2015	250,658,000
Net gain arising from the changes in the fair values	–
As at 31 March 2016	250,658,000

The open market values of the investment properties as at 31 March 2016 are based on professional valuations carried out by independent valuers. The valuation is arrived at using the Comparable Sales Method and Direct Comparison Approach.

The investment properties are mortgaged to secure credit facilities provided by the banks to the subsidiaries.

Description of properties held by the group is as follows:–

Location	**Tenure**
57B Devonshire Road #02-04, #02-06 #03-04, #03-06, #04-04, #04-05, #05-04, #05-05, #06-04, #07-04, #07-05, #26-06 The Suites @ Central Singapore 239899	Freehold
238 Orchard Boulevard, #41-05 The Orchard Residences Singapore 248652	99 years commencing 13 March 2006
31 Tanglin Road, #11-02 St Regis Residences 247912 Singapore	999 years commencing 24 November 1995
40A Orchard Road MacDonald House, Singapore 238838	Freehold

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

5. **INVESTMENT PROPERTIES (cont'd)**

Most of the investment properties generate rental income during the year.

A substantial portion of the operating expenses of the group relates to direct operating expenses arising from the above investment properties that generate rental income.

This section is left blank intentionally.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

6. PLANT AND EQUIPMENT

GROUP

	Furniture and fittings SGD	Plant and equipment SGD	Air conditioners SGD	Office equipment SGD	Motor vehicles SGD	Total SGD
Cost						
As at 1 April 2014	782,602	1,750,662	1,765,815	10,415	1,296,467	5,605,961
Additions	–	–	–	–	–	–
As at 31 March 2015	782,602	1,750,662	1,765,815	10,415	1,296,467	5,605,961
Additions	–	302,734	–	3,640	749,312	1,055,686
As at 31 March 2016	782,602	2,053,396	1,765,815	14,055	2,045,779	6,661,647
Accumulated depreciation						
As at 1 April 2014	782,602	1,748,828	1,765,815	10,403	367,332	4,674,980
Depreciation for the year	–	1,834	–	12	129,647	131,493
As at 31 March 2015	782,602	1,750,662	1,765,815	10,415	496,979	4,806,473
Depreciation for the year	–	–	–	1,213	161,760	162,973
As at 31 March 2016	782,602	1,750,662	1,765,815	11,628	658,739	4,969,446
Carrying amount						
As at 31 March 2016	–	302,734	–	2,427	1,387,040	1,692,201
As at 31 March 2015	–	–	–	–	799,488	799,488

7. INVESTMENTS

Investments consist of quoted equities stated at fair value through profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

8. TRADE RECEIVABLES

The amounts are non-interest bearing.

Trade receivables are stated net of allowance impairment losses as follows:

	GROUP	
	2016	**2015**
	SGD	**SGD**
Balance as at 1 April	8,500	–
Impairment loss during the year	–	8,500
Balance as at 31 March	8,500	8,500

9. NON-TRADE RECEIVABLE FROM THE HOLDING COMPANY NON-TRADE RECEIVABLE FROM RELATED PARTIES NON-TRADE PAYABLE TO RELATED PARTIES NON-TRADE PAYABLE TO SUBSIDIARIES NON-TRADE PAYABLE TO A DIRECTOR

The amounts are unsecured, non-interest bearing and are repayable on demand.

In pursuant to various deeds of assignment dated 31 March 2016, the company has been assigned with a receivable amounting to SGD56,026,691 from Angelic Bliss Holdings Ltd ("Angelic"), a related party. In consideration of the aforesaid assignment, the company is obliged to take over the liabilities of Angelic due to various subsidiaries of the company.

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP	
	2016	**2015**
	SGD	**SGD**
Other receivables	914	15
Deposits	43,860	48,880
Prepaid operating expenses	13,613	19,854
Deposits for purchase of plant and equipment	–	143,400
	58,387	212,149

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

11. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	GROUP		COMPANY	
	2016 SGD	2015 SGD	2016 SGD	2015 SGD
Other payables	8,373	19,980	–	–
Accrued operating expense	76,859	332,061	32,528	16,264
Rental deposit	2,505,714	2,991,127	–	–
	2,590,946	3,343,168	32,528	16,264

12. BANK TERM LOANS (SECURED)

	Effective interest rate on loans		GROUP	
	2016	2015	2016 SGD	2015 SGD
Bank term loan (1)	2.20% to 2.80%	1.61% to 2.00%	111,000,000	111,000,000
Bank term loan (2)	1.45% to 2.05%	1.08% to 1.53%	7,000,000	7,000,000
Bank term loan (3)	1.45% to 2.05%	1.13% to 1.53%	4,270,000	4,270,000
Bank term loan (4)	1.45% to 2.05%	1.11% to 1.25%	11,800,000	11,800,000
Bank term loan (5)	1.45% to 2.05%	1.11% to 1.53%	8,892,703	8,891,882
Bank term loan (6)	1.45% to 2.05%	1.11% to 1.53%	7,250,000	7,250,000
			150,212,703	150,211,882

All these loans are secured on the personal guarantee of the director of the company and the investment properties of the group.

13. PROVISION FOR TAXATION

	2016 SGD	2015 SGD
Balance as at 1 April	1,083,243	99,491
Current year provision	19,138	–
Payment during the year	(1,806,814)	(326,213)
Tax refunded during the year	4,206	924,377
Under provision in prior year	1,802,608	385,588
Balance as at 31 March	1,102,381	1,083,243

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

14. **DEFERRED TAXATION**

The deferred tax liability represents the tax effect of accelerated capital allowances over the carrying amount of plant and equipment.

15. **TAXATION**

	2016 SGD	2015 SGD
Income tax		
– Current year provision	19,138	–
– Under provision in prior year	1,802,608	385,588
	1,821,746	385,588

The income tax expenses on the results for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before taxation due to the following factors:

	2016 SGD	2015 SGD
Profit before taxation	4,726,313	6,249,690
Tax calculated at 17%	803,473	1,062,447
Non-tax deductible expenses	133,549	441,505
Non taxable income	(2,292)	(664,886)
Tax incentives	(43,430)	(40,373)
Tax exempt income	(45,925)	(65,450)
Deferred tax asset not recognised	2,049	–
Under provision in prior years	1,802,608	385,588
Others	(828,286)	(733,243)
	1,821,746	385,588

As at 31 March 2016, the group has estimated unutilised tax losses amounting to approximately SGD12,055 (2015: SGD Nil), which subject to provision of Income Tax Act, can be carried forward and utilised to offset against future taxable profits.

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16. **NET CASH EFFECT ON DISPOSAL OF SUBSIDIARIES**

During the year, the company disposed off its investment in subsidiaries. The effect of the disposal on the consolidated statement of cash flows were:

	2016 SGD	2015 SGD
Investment in joint venture	–	195,308
Other receivable	–	9,584
Non trade receivable from related parties	–	8,509,444
Cash at banks and in hand	10	13,885
Other payables	–	(10,700)
Non trade payable to related parties	(1,255)	(11,098,808)
Net liabilities disposed of	(1,245)	(2,381,287)
Gain on disposal of subsidiaries	1,245	2,381,287
Total disposal price	–	–
Less: Cash and cash equivalents in subsidiary disposed of	(10)	(13,885)
Net cash effect on disposal of subsidiaries	(10)	(13,885)

17. **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the consolidated statement of cash flows comprised cash at banks and on hand only.

This section is intentionally left blank.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

18. OPERATING LEASE RECEIVABLES

As at the year end, the group has the following rental receivable in respect of leasing of its investment properties:

	GROUP	
	2016	**2015**
	SGD	**SGD**
Receivable within 1 year	9,832,457	5,476,022
Receivable within 2 to 5 years	7,421,364	4,941,893

The group leases out properties under operating lease. These leases typically have tenure of 6 months to 6 years with an option to renew the lease after that date. Lease payments are usually revised at each renewal date to reflect the market rate.

19. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial year, there are the following related party transactions:

	GROUP	
	2016	**2015**
	SGD	**SGD**
With related party		
Acquisition of plant and equipment	749,312	–

20. FINANCIAL RISK MANAGEMENT

The group's and company's operation carry certain financial risks, including the effects of interest rate changes and credit risk. The group's and company's overall risk management approach are to moderate the effects of such volatility on its financial results. There are no changes on the group's and company's objectives, policies or processes relating to the management of the group's and company's financial risks during the year.

(a) Market risk

(i) Foreign exchange risk

The group and the company have no exposure to foreign exchange risk as majority of their activities are carried out in local currency.

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20. **FINANCIAL RISK MANAGEMENT (cont'd)**

(a) Market risk (cont'd)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market interest rates.

The group's exposure to interest rate risk relates primarily to bank term loans. The management constantly monitors its exposure to interest rate risk and does not utilise forward contracts or other arrangements for trading or speculative purposes. In managing the interest rate risk, the group aims to obtain the most favourable interest rates available.

Changes in market interest rates of 1% (2015: 1%) on interest bearing financial assets and financial liabilities as at the year end will have the effect on the financial statements as follows:

	GROUP	
	2016	**2015**
	SGD	**SGD**
Profit before taxation	1,502,127	1,502,119
Equity	–	–

The above analysis assumes all other variables are held constant.

(iii) Price risk

The group is exposed to equity securities price risk from its investments. There is no exposure to commodity price risk. Price risk arising from investments in equity securities is managed by diversification of portfolio and regular monitoring of position held.

Changes in price for equity securities as at the year end by 1% (2015: 1%) will have the effect on the financial statements as follows:

	GROUP	
	2016	**2015**
	SGD	**SGD**
Profit before taxation	1,702	2,633
Equity	–	–

The above analysis assumes all other variables are held constant.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

20. **FINANCIAL RISK MANAGEMENT (cont'd)**

(b) Credit risk

Credit risk is the risk that other parties to financial instruments with fail to discharge their obligations to the group and the company. Credit risk is managed through the application of reminders and on-going monitoring procedures.

The maximum exposure to credit risk is represented by the carrying amount of financial assets which are mainly trade and other receivables and bank balances. Cash is placed with credit worthy financial institutions.

At the year end, the group is exposed to substantial concentration of credit risk on non trade receivable from its holding company. The holding company is known to be financially sound.

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are substantially companies with good collection track record or that the recoverability is not in doubt. Bank deposits, are mainly transacted with banks of high credit ratings assigned by international credit rating agencies.

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired.

(c) Liquidity risk

The group and company manage its liquidity position with a view to meet its obligations on a timely basis. The group and company measure and manage its cash flow requirements regularly and constantly monitors its sources of funds to ensure that these sources yields the funds required to meet its obligations.

All financial liabilities of the group and the company are due within one year.

(d) Fair value risk

The fair value of the group's and the company's financial assets and financial liabilities reported in the statement of financial position approximate their carrying value except as disclosed.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

20. **FINANCIAL RISK MANAGEMENT (cont'd)**

(d) Fair value risk (cont'd)

(i) Fair value hierarchy

The table below analyses financial instruments assets and liabilities carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements that use inputs of difference hierarchy levels are categorized in its entirety in the same level of the fair value hierarchy as the lowest input that is significant to the entire measurement.

(ii) Assets and liabilities measured at fair value

The following tables show an analysis of each class of assets and liabilities measured at fair value at the year end. All items listed below are the results of recurring fair value measurements. There are no items arising from non-recurring fair value measurements as at the year end.

	Level 1 SGD	**Level 2 SGD**	**Level 3 SGD**	**Total SGD**
GROUP				
As at 31 March 2016				
ASSETS				
Financial Assets:				
Investment	170,250	–	–	170,250
Non-financial Assets:				
Investment property	–	250,658,000	–	250,658,000

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20. **FINANCIAL RISK MANAGEMENT (cont'd)**

(d) Fair value risk (cont'd)

(ii) Assets and liabilities measured at fair value (cont'd)

	Level 1 SGD	Level 2 SGD	Level 3 SGD	Total SGD
As at 31 March 2015				
ASSETS				
Financial Assets:				
Investment	263,250	–	–	263,250
Non-financial Assets:				
Investment property	–	250,658,000	–	250,658,000

(iii) Level 2 fair value measurements

The following table shows a reconciliation from the opening balances to the closing balances for the Level 2 fair values.

	2016 SGD	2015 SGD
As at 1 April	250,658,000	251,140,044
Fair value adjustment	–	(482,044)
As at 31 March	250,658,000	250,658,000

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

20. **FINANCIAL RISK MANAGEMENT (cont'd)**

(d) Fair value risk (cont'd)

(iii) Level 2 fair value measurements (cont'd)

Valuation technique and input used in Level 2 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categories under Level 2 of the fair value measurement hierarchy which involves significant unobservable inputs.

Description	**Valuation techniques**	**Significant unobservable inputs**	**Relationship of significant unobservable inputs to fair value**
Investment properties	Comparable sales method	Market value per square meter	The higher the adjusted valuation per square meter, the higher the fair value

There were no significant inter-relationships between the significant unobservable inputs.

Valuation process of the group

The group engages external, independent and qualified valuer to determine the fair value of the group's investment properties at the year end based on the investment properties' highest and best use using the Comparable Sales Method.

The comparable sale method involves the analysis of comparable sales of similar properties and adjustments are made to reflect the differences in location, tenure, size, age and condition of the building, prestige/facilities, standard of finishes and fittings and date of transaction, amongst other factors affecting values.

(e) Derivative instruments

The company does not utilise any derivative instruments.

The responsibility for managing the above risks is vested in the director.

This section is intentionally left blank.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

21. **FINANCIAL INSTRUMENTS**

Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The significant accounting policies in Note 2 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis:

GROUP	**Loans and receivables**	**Fair value through profit or loss**	**Financial liabilities at amortised cost**	**Total**
	SGD	**SGD**	**SGD**	**SGD**
As at 31 March 2016				
Assets				
Investments	–	170,250	–	170,250
Trade receivables	86,095	–	–	86,095
Non trade receivable from the holding company	56,018,881	–	–	56,018,881
Non trade receivable from related parties	599	–	–	599
Other receivables	44,774	–	–	44,774
Cash at bank	9,860,422	–	–	9,860,422
Total financial assets	66,010,771	170,250	–	66,181,021
Total non-financial assets				252,363,814
Total assets				318,544,835
Liabilities				
Trade payables	–	–	(455,673)	(455,673)
Non-trade payable to a director	–	–	(51)	(51)
Other payables, deposits and accruals	–	–	(2,546,615)	(2,546,615)
Bank term loan (secured)	–	–	(150,212,703)	(150,212,703)
Total financial liabilities	–	–	(153,215,042)	(153,215,042)
Total non-financial liabilities				(1,148,561)
Total liabilities				(154,363,603)

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

21. **FINANCIAL INSTRUMENTS (cont'd)**

Classification of financial instruments (cont'd)

GROUP	Loans and receivables SGD	Fair value through profit or loss SGD	Financial liabilities at amortised cost SGD	Total SGD
As at 31 March 2015				
Assets				
Investments	–	263,250	–	263,250
Trade receivables	35,637	–	–	35,637
Non trade receivable from related parties	74,376,566	–	–	74,376,566
Other receivables	192,295	–	–	192,295
Cash at bank	9,464,808	–	–	9,464,808
Total financial assets	84,069,306	263,250	–	84,332,556
Total non-financial assets				251,477,342
Total assets				335,809,898
Liabilities				
Trade payables	–	–	(483,550)	(483,550)
Non-trade payable to related parties	–	–	(19,409,481)	(19,409,481)
Non-trade payable to a director	–	–	(60)	(60)
Other payables, deposits and accruals	–	–	(3,027,371)	(3,027,371)
Bank term loan (secured)	–	–	(150,211,882)	(150,211,882)
Total financial liabilities	–	–	(173,132,344)	(173,132,344)
Total non-financial liabilities				(1,399,040)
Total liabilities				(174,531,384)

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

21. **FINANCIAL INSTRUMENTS (cont'd)**

Classification of financial instruments (cont'd)

	Loans and receivables SGD	Financial liabilities at amortised cost SGD	Total SGD
COMPANY			
As at 31 March 2016			
Assets			
Non trade receivable from the holding company	56,018,881	–	56,018,881
Total financial asset	56,018,881	–	56,018,881
Total non financial assets			164,100,048
Total asset			220,118,929
Liabilities			
Non trade payable to a director	–	(51)	(51)
Non trade payable to subsidiaries	–	(56,026,691)	(56,026,691)
Other payables and accrual		(32,528)	(32,528)
Total financial liabilities	–	(56,059,270)	(56,059,270)
Total non financial liabilities			–
Total liabilities			(56,059,270)

COMPANY	Loans and receivables SGD	Financial liabilities at amortised cost SGD	Total SGD
As at 31 March 2015			
Assets			
Total non financial assets			48
Total asset			48
Liabilities			
Non trade payable to shareholder	–	(60)	(60)
Non trade payable to the holding company	–	(6,913)	(6,913)
Other payables and accruals	–	(16,264)	(16,264)
Total financial liabilities	–	(23,237)	(23,237)
Total liabilities			–
			(23,237)

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

22. CAPITAL RISK MANAGEMENT

The group's and the company's objectives when managing capital are to safeguard the group's and the company's ability to continue as a going concern in order to maximise returns to shareholders and other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital. The director regularly reviews and monitors its capital position to ensure that the business activities and growth are prudently funded. The group and the company seek to maintain a positive net current asset position and capital surplus position.

	GROUP		COMPANY	
	2016 SGD	2015 SGD	2016 SGD	2015 SGD
Current assets	66,194,634	84,352,410	56,018,881	–
Current liabilities	(154,361,754)	(174,531,384)	(56,059,270)	(23,237)
Net current liabilities	(88,167,120)	(90,178,974)	(40,389)	(23,237)
Total assets	318,544,835	335,809,898	220,118,929	48
Total liabilities	(154,353,603)	(174,533,233)	(56,059,270)	(23,237)
Capital surplus/(deficit)	164,181,232	161,276,665	164,059,659	(23,189)

In order to maintain or adjust the capital structure, the group and the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There are no changes on the group's and the company's objectives, policies or processes relating to the management of the company's capital structure during the year.

The group and the company are not subject to any externally imposed capital management and are not in breach of any debts covenant made with their lenders.

Pollux Alpha Investments Ltd and its subsidiaries

Director's statement

The director is pleased to present the statement to the member together with the audited consolidated financial statements of Pollux Alpha Investments Ltd (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2017.

Opinion of the director

In the opinion of the director,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due as the ultimate holding company has given an undertaking to provide continuing financial support to the Company to meet its liabilities as and when they fall due.

Nico Purnomo Po
Director

Singapore
7 August 2017

Pollux Alpha Investments Ltd and its subsidiaries

Independent auditor's report
For the financial year ended 31 March 2017

Independent auditor's report to the member of Pollux Alpha Investments Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Pollux Alpha Investments Ltd ("the Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2017, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the International Financial Reporting Standards (IFRS) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Singapore and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for other information. The other information comprises director's statement set out on page E-1.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Pollux Alpha Investments Ltd and its subsidiaries

Independent auditor's report
For the financial year ended 31 March 2017

Independent auditor's report to the member of Pollux Alpha Investments Ltd

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The director's responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Pollux Alpha Investments Ltd and its subsidiaries

Independent auditor's report
For the financial year ended 31 March 2017

Independent auditor's report to the member of Pollux Alpha Investments Ltd

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matters

The financial statements of Pollux Alpha Investments Ltd for the year ended 31 March 2016, were audited by another auditor who expressed an unmodified opinion on those statements on 15 November 2016.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
7 August 2017

Pollux Alpha Investments Ltd and its subsidiaries

Consolidated statement of comprehensive income
For the financial year ended 31 March 2017

	Note	2017 $	2016 $
Revenue	4	9,977,144	10,040,873
Other income	5	33,650,833	20,017
Other items of expenses			
General and administrative expenses		(2,398,731)	(2,235,372)
Marketing and distribution expenses		(71,094)	(27,007)
Finance costs	6	(3,388,568)	(3,072,198)
Profit before tax	7	37,769,584	4,726,313
Income tax expense	8	(995,697)	(1,821,746)
Profit for the financial year		36,773,887	2,904,567
Other comprehensive income for the financial year, net of tax		–	–
Total comprehensive income for the financial year		36,773,887	2,904,567

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Pollux Alpha Investments Ltd and its subsidiaries

Balance sheets
As at 31 March 2017

	Note	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Non-current assets					
Investment properties	9	284,200,000	250,658,000	–	–
Plant and equipment	10	1,613,875	1,692,201	–	–
Investment in subsidiaries	11	–	–	164,100,048	164,100,048
		285,813,875	252,350,201	164,100,048	164,100,048
Current assets					
Investment securities	12	215,250	170,250	–	–
Trade receivables	13	434,616	86,095	–	–
Other receivables and deposits	14	39,280	44,774	–	–
Prepaid operating expenses		19,273	13,613	–	–
Due from holding company	15	55,938,367	56,018,881	55,916,122	56,018,881
Due from related parties	15	614	599	21,018,433	20,362,650
Cash and cash equivalents	16	12,707,523	9,860,422	–	–
		69,354,923	66,194,634	76,934,555	76,381,531
Total assets		355,168,798	318,544,835	241,034,603	240,481,579
Current liabilities					
Trade payables	17	213,880	314,443	–	–
Other payables and accruals	18	2,850,847	2,732,176	18,000	32,528
Deferred revenue		300,340	–	–	–
Due to a director	19	2,236	51	51	51
Due to subsidiaries	19	–	–	76,982,423	76,389,341
Loans and borrowings	20	149,652,703	150,212,703	–	–
Provision for taxation		1,193,673	1,102,381	–	–
		154,213,679	154,361,754	77,000,474	76,421,920
Net current liabilities		(84,858,756)	(88,167,120)	(65,919)	(40,389)
Non-current liability					
Deferred tax liabilities	8	–	1,849	–	–
Total liabilities		154,213,679	154,363,603	77,000,474	76,421,920
Net assets		200,955,119	164,181,232	164,034,129	164,059,659
Equity attributable to equity holder of the Company					
Share capital	21	164,000,001	164,000,001	164,000,001	164,000,001
Revenue reserve		36,955,118	181,231	34,128	59,658
Total equity		200,955,119	164,181,232	164,034,129	164,059,659
Total equity and liabilities		355,168,798	318,544,835	241,034,603	240,481,579

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Pollux Alpha Investments Ltd and its subsidiaries

Statements of changes in equity
For the financial year ended 31 March 2017

	Share capital $	Revenue reserve $	Total $
Group			
At 1 April 2015	1	161,276,664	161,276,665
Profit net of tax, representing total comprehensive income for the year	–	2,904,567	2,904,567
Issuance of shares (Note 21)	164,000,000	–	164,000,000
Dividend paid (Note 22)	–	(164,000,000)	(164,000,000)
At 31 March 2016 and 1 April 2016	164,000,001	181,231	164,181,232
Profit net of tax, representing total comprehensive income for the year	–	36,773,887	36,773,887
At 31 March 2017	164,000,001	36,955,118	200,955,119
Company			
At 1 April 2015	1	(23,190)	(23,189)
Profit net of tax, representing total comprehensive income for the year	–	164,082,848	164,082,848
Issuance of shares (Note 21)	164,000,000	–	164,000,000
Dividend paid (Note 22)	–	(164,000,000)	(164,000,000)
At 31 March 2016 and 1 April 2016	164,000,001	59,658	164,059,659
Loss net of tax, representing total comprehensive income for the year	–	(25,530)	(25,530)
At 31 March 2017	164,000,001	34,128	164,034,129

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Pollux Alpha Investments Ltd and its subsidiaries

Consolidated cash flow statement
For the financial year ended 31 March 2017

	Note	2017 $	2016 $
Cash flows from operating activities			
Profit before tax		37,769,584	4,726,313
Adjustments for:			
Interest income	5	(1,357)	–
Dividend income from investments	5	(13,136)	(13,485)
Interest expense	6	3,388,166	3,070,901
Other receivables written-off	7	2,000	–
Fair value changes in investment properties	9	(33,542,000)	–
Depreciation of plant and equipment	10	253,592	162,973
Gain on disposal of a subsidiary	11	–	(1,245)
(Gain)/loss on fair value changes on investment securities	12	(45,000)	93,000
Operating cash flows before changes in working capital		7,811,849	8,038,457
Increase in trade receivables		(348,521)	(50,458)
(Increase)/decrease in other receivables, deposits and prepaid operating expenses		(2,166)	153,762
Decrease in trade payables		(100,563)	(27,877)
Increase/(decrease) in other payables and accruals		118,671	(752,222)
Increase in deferred revenue		300,340	–
Cash flows from operations		7,779,610	7,361,662
Interest received		1,357	–
Interest paid		(3,388,166)	(3,070,080)
Income taxes paid		(906,254)	(1,802,608)
Net cash flows from operating activities		3,486,547	2,488,974
Cash flows from investing activities			
Purchase of plant and equipment		(175,266)	(1,055,686)
Cash outflow from the disposal of a subsidiary		–	(10)
Dividend income from investments		13,136	13,485
Decrease in amount due from holding company		80,514	–
Increase in amount due from related parties		(15)	(1,051,140)
Net cash flows used in investing activities		(81,631)	(2,093,351)
Cash flows from financing activities			
Repayment of loans and borrowings		(560,000)	–
Increase/(decrease) in amount due to a director		2,185	(9)
Net cash flows used in financing activities		(557,815)	(9)
Net increase in cash and cash equivalents		2,847,101	395,614
Cash and cash equivalents at beginning of year		9,860,422	9,464,808
Cash and cash equivalents at end of year	16	12,707,523	9,860,422

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

1. Corporate information

Pollux Alpha Investments Ltd (the "Company") is a limited liability company incorporated in British Virgin Islands and domiciled in Singapore.

The holding company is Pollux Holdings Pte. Ltd., a company incorporated in Singapore.

The registered office of the Company is located at Portcullis Trustnet Chambers, P.0.Box 3444, Road Town, Tortole, British Virgin Islands. The principal place of business is at 391A Orchard Road, #08-07, Ngee Ann City Tower A, Singapore 238873

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are disclosed in Note 11 to the financial statements.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $).

2.2 *Fundamental accounting assumption*

The Group's and Company's total current liabilities exceeded its total current assets by $84,858,756 (2016: $88,167,120) and $65,919 (2016: $40,389) respectively. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's and Company's ability to continue as a going concern. The ability of the Group and Company to continue as going concerns depends on the holding company undertaking to provide continuing financial support to enable the Group and Company to continue as going concerns.

2.3 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2016. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

2. Summary of significant accounting policies (cont'd)

2.4 ***Standards issued but not yet effective***

The Group has not adopted the following standards that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to IAS 7 *Disclosure Initiative*	1 January 2017
Amendments to IAS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
Improvements to IFRSs (December 2016)	
(a) Amendments to IFRS 12 *Classifications of the Scope of the Standard*	1 January 2017
(b) Amendments to IAS 28 *Measuring an Associate or Joint Venture at Fair Value*	1 January 2018
Amendments to IAS 40 *Transfers of Investment Property*	1 January 2018
IFRS 15 *Revenue from Contracts with Customers*	1 January 2018
Amendments to IFRS 15 *Clarifications to IFRS 15 Revenue from Contracts with Customers*	1 January 2018
IFRS 9 *Financial Instruments*	1 January 2018
Amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions*	1 January 2018
IFRS 16 *Leases*	1 January 2019
Amendments to IFRS 10 & IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

Except for IFRS 15 and IFRS 16, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of IFRS 15 and IFRS 16 are described below.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

2. Summary of significant accounting policies (cont'd)

2.4 *Standards issued but not yet effective (cont'd)*

IFRS 15 *Revenue from Contracts with Customers* (cont'd)

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IFRS 16 *Leases*

IFRS 16 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Group expects the adoption of the new standard will result in increase in total assets and total liabilities, EBITDA and gearing ratio.

2.5 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

2. Summary of significant accounting policies (cont'd)

2.5 *Basis of consolidation (cont'd)*

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;

– De-recognises the carrying amount of any non-controlling interest;

– De-recognises the cumulative translation differences recorded in equity;

– Recognises the fair value of the consideration received;

– Recognises the fair value of any investment retained;

– Recognises any surplus or deficit in profit or loss;

– Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.6 *Foreign currency*

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

2.7 *Plant and equipment*

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture and fittings	–	5 years
Plant and equipment	–	5 years
Air-conditioners	–	5 years
Office equipment	–	5 years
Motor vehicles	–	10 years

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

2. Summary of significant accounting policies (cont'd)

2.7 ***Plant and equipment (cont'd)***

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 ***Investment properties***

Investment properties are properties that are owned by the Group to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment properties only when there is a change in use. The transfer from development property to investment property will be made at carrying value.

2.9 ***Impairment of non-financial assets***

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

2. Summary of significant accounting policies (cont'd)

2.9 *Impairment of non-financial assets (cont'd)*

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.10 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.11 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

2. Summary of significant accounting policies (cont'd)

2.11 ***Financial instruments (cont'd)***

(a) *Financial assets (cont'd)*

Subsequent measurement

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gain on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

2. Summary of significant accounting policies (cont'd)

2.11 ***Financial instruments (cont'd)***

(b) *Financial liabilities (cont'd)*

Initial recognition and measurement (cont'd)

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.12 ***Impairment of financial assets***

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired.

(a) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

2. Summary of significant accounting policies (cont'd)

2.12 ***Impairment of financial assets (cont'd)***

(a) *Financial assets carried at amortised cost (cont'd)*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

(b) *Financial assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.13 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits which are subject to an insignificant risk of changes in value.

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

2. Summary of significant accounting policies (cont'd)

2.14 ***Provisions***

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.15 ***Borrowing costs***

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.16 ***Leases***

(a) *As lessee*

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) *As lessor*

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.17(a).

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

2. Summary of significant accounting policies (cont'd)

2.17 *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) *Rental income*

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

(b) *Season parking collection income, advertising income, income from air-conditioning usage and electricity fee income*

Season parking collection income, advertising income, income from air-conditioning usage and electricity fee income are recognised in the period in which the services are rendered.

2.18 *Taxes*

(a) *Current income tax*

Current tax assets and liabilities for the current period and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the country where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subjected to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

2. Summary of significant accounting policies (cont'd)

2.18 ***Taxes (cont'd)***

(b) *Deferred tax (cont'd)*

Deferred tax liabilities are recognised for all temporary differences, except:

– where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of deductible temporary differences associated with investments in subsidiaries, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

2. Summary of significant accounting policies (cont'd)

2.18 ***Taxes (cont'd)***

(b) *Deferred tax (cont'd)*

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) *Goods and services tax ("GST")*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

2.19 ***Share capital and share issue expenses***

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.20 ***Contingencies***

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

2. Summary of significant accounting policies (cont'd)

2.20 *Contingencies (cont'd)*

Contingent liabilities and assets are not recognised on the balance sheet of the Group except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 *Judgements made in applying accounting policies*

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) *Income taxes*

The Group's exposure to income taxes mainly arises from Singapore. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made. The carrying amount of the Group's provision for taxation and deferred tax liabilities at 31 March 2017 was $1,193,673 (2016: $1,102,381) and $Nil (2016: $1,849) respectively.

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

3. Significant accounting judgements and estimates (cont'd)

3.2 *Key sources of estimation uncertainty (cont'd)*

(b) *Impairment of non-financial assets*

The Group assess whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) *Impairment of trade and other receivables*

The Group assesses at the end of each reporting period whether there is any objective evidence that trade and other receivables are impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's trade receivables and other receivables at the end of the reporting period is disclosed in Note 13 and Note 14 to the financial statements respectively.

(d) *Useful lives of plant and equipment*

The Group's plant and equipment are depreciated on a straight-line basis over their respective useful lives. Management estimates the useful lives of these plant and equipment to be within 5 to 10 years. Changes in the expected level of usage and technological developments could impact the estimated useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of these plant and equipment at the end of the reporting period are disclosed in Note 10 to the financial statements.

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

3. Significant accounting judgements and estimates (cont'd)

3.2 *Key sources of estimation uncertainty (cont'd)*

(e) *Revaluation of investment properties*

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engages an independent valuation specialist to determine the fair value of the investment properties as at 31 March 2017. The valuation technique adopted was Comparable Sales method. The Comparable Sales method involves analysing recent sales evidence of similar properties. Adjustments are made to differences in location, age, tenure, floor area, condition, exposure, date of sale, amongst other factors, before arriving at the market value of the property. The carrying amount of the Group's investment properties as at 31 March 2017 was $284,200,000 (2016: $260,658,000).

4. Revenue

	Group	
	2017	**2016**
	$	**$**
Rental income	9,756,900	9,788,367
Season parking collection income	25,944	33,739
Advertising income	30,000	30,287
Income from air conditioning usage	154,700	178,880
Electricity fee income	9,600	9,600
	9,977,144	10,040,873

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

5. Other income

	Group	
	2017	**2016**
	$	**$**
Fair value changes in investment properties	33,542,000	–
Gain on fair value changes on investment securities	45,000	–
Interest income from fixed deposit	1,357	–
Dividend income from investments	13,136	13,485
Gain on disposal of a subsidiary	–	1,245
Others	49,340	5,287
	33,650,833	20,017

6. Finance costs

	Group	
	2017	**2016**
	$	**$**
Interest expenses:		
– loans and borrowings	3,387,896	3,070,811
– bank overdrafts	270	90
Bank charges	402	1,297
	3,388,568	3,072,198

7. Profit before tax

The following items have been included in arriving at profit before tax:

	Group	
	2017	**2016**
	$	**$**
Depreciation of plant and equipment	253,592	162,973
Other receivables written-off	2,000	–
Property tax	872,604	602,090

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Notes to the financial statements
For the financial year ended 31 March 2017

8. Income tax expense

Major components of income tax expense

The major components of income tax expense for the financial years ended 31 March 2017 and 2016 are:

	Group	
	2017	**2016**
	$	**$**
Current income tax		
– Current income taxation	975,347	19,138
– Under provision in respect of prior years	22,199	1,802,608
	997,546	1,821,746
Deferred income tax		
– Over provision in respect of prior years	(1,849)	–
	(1,849)	–
Income tax expense recognised in profit or loss	995,697	1,821,746

Relationship between tax expense and accounting profit

The reconciliation between the tax expense and product of accounting profit multiplied by the applicable tax rate for the financial year ended 31 March 2017 and 2016 are as follows:

	Group	
	2017	**2016**
	$	**$**
Profit before tax	37,769,584	4,726,313
Tax at statutory rate of 17% (2016: 17%)	6,420,829	803,473
Adjustments:		
Non-tax deductible expenses	493,556	133,549
Income not subject to tax	(5,881,683)	(2,292)
Effect of partial tax exemption and tax reliefs	(59,442)	(89,355)
Deferred tax asset not recognised	–	2,049
Under provision of income tax in respect of prior years	22,199	1,802,608
Over provision of deferred tax in respect of prior years	(1,849)	–
Others	2,087	(828,286)
Income tax recognised in profit or loss	995,697	1,821,746

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

8. Income tax expense (cont'd)

Relationship between tax expense and accounting profit (cont'd)

Deferred income tax as at 31 March relates to the following:

	Group				Company	
	Balance sheet		Profit or loss		Balance sheet	
	2017	2016	2017	2016	2017	2016
	$	$	$	$	$	$
Others	–	1,849	(1849)	–	–	–
	–	1,849			–	–
Deferred income tax			(1,849)	–		

9. Investment properties

	Group	
	2017	2016
	$	$
Balance sheet:		
At beginning of the financial year	250,658,000	250,658,000
Fair value gain in investment properties	33,542,000	–
As at end of the financial year	284,200,000	250,658,000
Income statement:		
Rental income from investment properties:		
– Minimum lease payments	9,756,900	9,788,367
Direct operating expenses (including repairs and maintenance) arising from:		
– Rental generating properties	5,369,989	4,936,857

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

9. Investment properties (cont'd)

The investment properties held by the Group as at 31 March are as follows:

Description and Location	Existing Use	Tenure	Unexpired lease term	Group 2017 $	Group 2016 $
10-storey development, 40A Orchard Road (MacDonald House)	Commercial	Freehold	Freehold	228,000,000	194,000,000
57B Devonshire Road #02-04, #03-04, #04-04, #05-04, #06-04, #07-04 The Suites @ Central	Residential	Freehold	Freehold	16,790,000	16,907,000
57B Devonshire Road #02-06, #03-06, #26-06, The Suites @ Central	Residential	Freehold	Freehold	13,600,000	13,703,000
57B Devonshire Road #04-05, #05-05 #07-05, The Suites @ Central	Residential	Freehold	Freehold	10,310,000	10,388,000
4-bedroom apartment (#11-02), St Regis Residences, 31 Tanglin Road	Residential	999 years	977 years	5,700,000	5,660,000
Condominium Unit #41-05, The Orchard Residences, 238 Orchard Boulevard	Residential	99 years	88 years	9,800,000	10,000,000
				284,200,000	250,658,000

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

9. Investment properties (cont'd)

Valuation of investment properties

Investment properties are stated at fair value. The valuations were performed by Cushman & Wakefield VHS, an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the properties valued.

In relation to 40A Orchard Road, the valuation is based on the Comparable Sales method that considers the sales of similar properties that have been transacted in the open market.

In relation to 57B Devonshire Road, the valuation is based on the Comparable Sales method that considers the sales of similar properties that have been transacted in the open market.

In relation to #11-02, St Regis Residences, 31 Tanglin Road, the valuation is based on the Comparable Sales method that considers the sales of similar properties that have been transacted in the open market.

In relation to #41-05, The Orchard Residences, 238 Orchard Boulevard, the valuation is based on the Comparable Sales method that considers the sales of similar properties that have been transacted in the open market.

Details of the valuation techniques and unobservable inputs are disclosed in Note 26(b).

Investment properties pledged as security

Investment properties amounting to $284,200,000 (2016: $250,658,000) are mortgaged to secure bank loans (Note 20).

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

10. Plant and equipment

Group	Furniture and fittings $	Plant and equipment $	Air conditioners $	Office equipment $	Motor vehicles $	Total $
Cost						
As at 1 April 2015	782,602	1,750,662	1,765,815	10,415	1,296,467	5,605,961
Additions	–	302,734	–	3,640	749,312	1,055,686
As at 31 March 2016 and 1 April 2016	782,602	2,053,396	1,765,815	14,055	2,045,779	6,661,647
Additions	–	175,266	–	–	–	175,266
As at 31 March 2017	782,602	2,228,662	1,765,815	14,055	2,045,779	6,836,913
Accumulated depreciation						
As at 1 April 2015	782,602	1,750,662	1,765,815	10,415	496,979	4,806,473
Depreciation for the year	–	–	–	1,213	161,760	162,973
As at 31 March 2016 and 1 April 2016	782,602	1,750,662	1,765,815	11,628	658,739	4,969,446
Depreciation for the year	–	47,800	–	1,213	204,579	253,592
As at 31 March 2017	782,602	1,798,462	1,765,815	12,841	863,318	5,223,038
Carrying amount						
As at 31 March 2017	–	430,200	–	1,214	1,182,461	1,613,875
As at 31 March 2016	–	302,734	–	2,427	1,387,040	1,692,201

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

11. Investment in subsidiaries

	Company 2017 $	Company 2016 $
Unquoted equity shares, at cost	164,100,052	164,100,062
Less: Disposal of a subsidiary	–	(10)
	164,100,052	164,100,052
Less: Impairment losses	(4)	(4)
	164,100,048	164,100,048
Movement of impairment losses:		
At beginning of year	4	14
Reversal of impairment loss	–	(10)
At end of year	4	4

Name	Principal activities	Country of incorporation	Proportion (%) of ownership interest 2017	Proportion (%) of ownership interest 2016
Tinifia Investment Pte. Ltd.[(1)]	Property investment holdings	Singapore	100	100
Richmond View Investment Pte. Ltd.[(1)]	Property investment holdings	Singapore	100	100
Orchard Residence Investment Pte. Ltd.[(1)]	Property investment holdings	Singapore	100	100
Symbianta Worldwide Inc.[(1)]	Property investment holdings	British Virgin Islands	100	100
Savers Investment Ltd[(1)]	Property investment holdings	British Virgin Islands	100	100
Cherimoya Worldwide Corporation[(1)]	Property investment holdings	British Virgin Islands	100	100

Note:

(1) Audited by Ernst & Young LLP, Singapore.

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

11. Investment properties (cont'd)

During the last financial year, the Company disposed a subsidiary, Pollux Healthcare Worldwide Pte. Ltd.

The value of asset and liability of the subsidiary in the consolidated financial statements as at disposal date and the effect on cash flow of the disposal were:

	2016 $
Cash and cash equivalents	10
Non-trade payables to related parties	(1,255)
Carrying value of net liabilities	(1,245)
Total consideration	–
Cash and cash equivalents of the subsidiary	(10)
Net cash outflow on disposal of the subsidiary	(10)

12. Investment securities

	Group	
	2017 $	2016 $
Current:		
Available-for-sale		
– Quoted equity securities	215,250	170,250

Movement in fair value:

	Group	
	2017 $	2016 $
Balance at beginning of year	170,250	263,250
Gain/(loss) on fair value changes	45,000	(93,000)
Balance at end of year	215,250	170,250

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

13. Trade receivables

	Group 2017 $	Group 2016 $
Trade receivables	434,616	86,095

Trade receivables are generally on 7 days' terms. They are non-interest bearing and are recognised at their original invoice amounts which represents their fair values on initial recognition.

Receivables that are past due but not impaired

The Group has trade receivables amounting to $172,577 (2016: $1,164) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group 2017 $	Group 2016 $
Trade receivables past due but not impaired:		
Less than 30 days	118,633	–
31 to 60 days	46,730	–
More than 90 days	7,214	1,164
	172,577	1,164

14. Other receivables and deposits

	Group 2017 $	Group 2016 $
Other receivables	500	914
Deposits	38,780	43,860
	39,280	44,774

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

15. Due from holding company and related parties

The amounts due from holding company and related parties are non-trade in nature, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

16. Cash and cash equivalents

	Group	
	2017	2016
	$	$
Cash at bank and in hand	10,578,105	9,860,422
Short-term deposits	2,129,418	–
	12,707,523	9,860,422

Short-term deposits are unpledged and have a maturity of 24 days from the end of the financial year. The effective interest rate of the short-term deposits was 0.58% p.a.

17. Trade payables

Trade payables are non-interest bearing and are normally settled on 60-day terms.

18. Other payables and accruals

	Group		Company	
	2017	2016	2017	2016
	$	$	$	$
Other payables	–	8,373	–	–
Accrued operating expenses	183,909	76,859	18,000	32,528
Rental deposit	2,525,001	2,505,714	–	–
Net GST payable	141,937	141,230	–	–
	2,850,847	2,732,176	18,000	32,528

19. Due to a director and subsidiaries

The amounts due to a director and subsidiaries are non-trade in nature, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

20. Loans and borrowings

	Maturity (Financial Year)	Effective interest rate on loan 2017	2016	Group 2017	2016
				$	$
Current:					
Bank loan 1	2017	2.10% to 2.70%	2.20% to 2.80%	111,000,000	111,000,000
Bank loan 2	2017	1.35% to 1.95%	1.45% to 2.05%	7,000,000	7,000,000
Bank loan 3	2017	1.35% to 1.95%	1.45% to 2.05%	3,710,000	4,270,000
Bank loan 4	2017	1.35% to 1.95%	1.45% to 2.05%	11,800,000	11,800,000
Bank loan 5	2017	1.35% to 1.95%	1.45% to 2.05%	8,892,703	8,892,703
Bank loan 6	2017	1.35% to 1.95%	1.45% to 2.05%	7,250,000	7,250,000
				149,652,703	150,212,703

The above SGD denominated bank loans are repayable within 12 months after the reporting date.

The bank loans are secured by the following:

(a) First legal mortgage over the related investment properties.

(b) First legal assignment of rental proceeds from the investment property.

(c) Personal guarantee by the director of the Company.

21. Share capital

	Group and Company 2017 No. of shares	$	2016 No. of shares	$
Issued and fully paid ordinary shares:				
At beginning of the year	116,378,088	164,000,001	1	1
Issuance of ordinary shares	–	–	116,378,087	164,000,000
At end of the year	116,378,088	164,000,001	116,378,088	164,000,001

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

21. Share capital (cont'd)

During the last financial year, the Company issued 116,378,087 ordinary shares at US$1 each. These shares are paid for by offsetting the dividend of US$116,378,087 (equivalent to S$164,000,000) payable by the Company to the shareholder of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

22. Dividend paid

	Group and Company	
	2017	**2016**
	$	**$**
Declared and paid during the financial year		
Dividends on ordinary shares:		
– Interim exempt (one-tier) dividend for 2017: $nil (2016: $1.41)	–	164,000,000

23. Commitments

Operating lease commitments – as lessor

The Group has entered into various operating lease agreements for its investment properties. These non-cancellable leases have an average tenure of 1 to 4 years with an option to renew the lease after that date. Lease payments are usually revised at each renewal date to reflect the market rate.

Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows:

	Group	
	2017	**2016**
	$	**$**
Not later than 1 year	9,314,838	9,832,457
Later than 1 year but not later than 5 years	7,095,968	7,421,364
	16,410,806	17,253,821

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

24. Related party transactions

Sale and purchase of services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place during the financial year at terms agreed between the parties:

	Group	
	2017	2016
	$	$
Purchase of plant and equipment from a related party	–	749,312

25. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, price risk and liquidity risk. The Group and the Company manages these risks as part of the general day-to-day management of its operations.

It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculation purposes shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks:

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short term deposits), the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

25. Financial risk management objectives and policies (cont'd)

(a) *Credit risk (cont'd)*

Exposure to credit risk

At the balance sheet date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amounts of each class of financial assets recognised on the balance sheet.

Financial assets that are neither past due nor impaired

Trade and other receivables and amount due from holding company and related parties that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with reputable financial institutions with high credit ratings.

Financial assets that are either past due or impaired

There are no financial assets that are past due or impaired.

(b) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and Company's exposure to interest rate risk arises primarily from loans and borrowings.

The Group obtains financing through loans from financial institutions. The Group's policy is to obtain the most favourable market interest rates available.

Sensitivity analysis for interest rate risk

At the balance sheet date, if interest rates had been 50 (2016: 50) basis points lower/higher with all other variables held constant, the Group's interest during the financial year would have been $748,264 (2016: $751,064) lower/higher arising mainly as a result of lower/higher interest expense on floating rate loans from financial institutions.

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

25. Financial risk management objectives and policies (cont'd)

(c) *Price risk*

Price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest and exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity securities. These securities are quoted on the Singapore Exchange Securities Trading Limited (SGX-ST) in Singapore and are classified as held for trading.

Sensitivity analysis for equity price risk

At the date of this report, the market price of the quoted shares had risen by approximately 13%. If the marketable securities were recorded at the current market price at the end of the reporting period, the Group's fair value gain on quoted shares and net profit for the year would have been approximately $73,500 and $36,802,387 (2016: fair value loss of $95,160 and net profit of $2,902,407) respectively, arising from a fair value gain on investment in equity instruments classified as fair value through profit and loss.

(d) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company monitor and maintain a level of cash and bank balances deemed adequate by the management to finance the Group's and Company's operations and mitigate the effected of fluctuations in cash flows.

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

25. Financial risk management objectives and policies (cont'd)

(d) *Liquidity risk (cont'd)*

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the balance sheet date based on contractual undiscounted repayment obligations:

	1 year or less	
	2017	**2016**
	$	**$**
Group		
Financial assets:		
Investment securities	215,250	170,250
Trade receivables	434,616	86,095
Other receivables and deposits	39,280	44,774
Due from holding company	55,938,367	56,018,881
Due from related parties	614	599
Cash and cash equivalents	12,707,523	9,860,422
Total undiscounted financial assets	69,335,650	66,181,021
Financial liabilities:		
Trade payables	213,880	314,443
Other payables and accruals	2,708,910	2,590,946
Due to a director	2,236	51
Loans and borrowings	153,260,778	153,673,925
Total undiscounted financial liabilities	156,185,804	156,579,365
Total net undiscounted financial liabilities	(86,850,154)	(90,398,344)

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

25. Financial risk management objectives and policies (cont'd)

(d) *Liquidity risk (cont'd)*

Analysis of financial instruments by remaining contractual maturities (cont'd)

	1 year or less	
	2017	**2016**
	$	**$**
Company		
Financial assets:		
Due from holding company	55,916,122	56,018,881
Due from related parties	21,018,433	20,362,650
Total undiscounted financial assets	76,934,555	76,381,531
Financial liabilities:		
Other payables and accruals	18,000	32,528
Due to a director	51	51
Due to subsidiaries	76,982,423	76,389,341
Total undiscounted financial liabilities	77,000,474	76,421,920
Total net undiscounted financial liabilities	(65,919)	(40,389)

26. Fair value of assets and liabilities

(a) ***Fair value hierarchy***

The Group categories fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

– Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,

– Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and

– Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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26. Fair value of assets and liabilities (cont'd)

(b) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group 2017			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	$	$	$	$
Financial assets:				
Available-for-sale				
Quoted equity securities (Note 12)	215,250	–	–	215,250
Total financial assets	215,250	–	–	215,250
Non-financial assets:				
Investment properties (Note 9)				
Commercial	–	228,000,000	–	228,000,000
Residential	–	56,200,000	–	56,200,000
Total non-financial assets	–	284,200,000	–	284,200,000

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

26. Fair value of assets and liabilities (cont'd)

(b) ***Assets and liabilities measured at fair value (cont'd)***

	Group 2016			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	$	$	$	$
Financial assets:				
Available-for-sale				
Quoted equity securities (Note 12)	170,250	–	–	170,250
Total financial assets	170,250	–	–	170,250
Non-financial assets:				
Investment properties (Note 9)				
Commercial	–	194,000,000	–	194,000,000
Residential	–	56,658,000	–	56,658,000
Total non-financial assets	–	250,658,000	–	250,658,000

(c) ***Level 2 fair value measurements***

Residential and commercial investment properties

The valuation of residential and commercial investment properties are based on comparable market transactions that consider sales of similar properties that have been transacted in the open market.

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

26. Fair value of assets and liabilities (cont'd)

(d) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

Trade receivables, other receivables and deposits, due from holding company and related parties, trade payables, other payables and accruals, due to a director and subsidiaries, loans and borrowings and cash and cash equivalents

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, due to their short-term nature or floating rate instruments that are re-priced to market interest rates on or near the balance sheet.

(e) ***Classification of financial instruments***

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Loans and receivables				
Trade receivables	434,616	86,095	–	–
Other receivables and deposits	39,280	44,774	–	–
Due from holding company	55,938,367	56,018,881	55,916,122	56,018,881
Due from related parties	614	599	21,018,433	20,362,650
Cash and cash equivalents	12,707,523	9,860,422	–	–
	69,120,400	66,010,771	76,934,555	76,381,531
Financial asset at fair value through profit or loss				
Investment securities	215,250	170,250	–	–
Liabilities measured at amortised costs				
Trade payables	213,880	314,443	–	–
Other payables and accruals	2,708,910	2,590,946	18,000	32,528
Due to a director	2,236	51	51	51
Due to subsidiaries	–	–	76,982,423	76,389,341
Loans and borrowings	149,652,703	150,212,703	–	–
	152,577,729	153,118,143	77,000,474	76,421,920

Pollux Alpha Investments Ltd and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2017

27. Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2017 and 31 March 2016.

28. Comparative figures

The financial statements for the year ended 31 March 2016 were audited by another firm. Certain comparative figures have been reclassified to conform to the current year's presentation.

29. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2017 were authorised for issue in accordance with a resolution of the directors on 7 August 2017.

Pollux Properties Ltd. and its Subsidiaries

Report on the compilation of unaudited pro forma combined financial information of Pollux Properties Ltd. and its subsidiaries for the year ended 31 March 2017 included in the circular to shareholders of Pollux Properties Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Pollux Properties Ltd. ("Pollux" or the "Company") and its subsidiaries ("Pollux Group") and the Target Group (as defined herein) (collectively, the "Enlarged Group") in connection with the Company's proposed acquisition of the entire issued and paid-up share capital of Pollux Alpha Investments Ltd ("PAI") ("Proposed Acquisition").

The unaudited pro forma combined financial information consists of the unaudited pro forma combined statements of financial position as at 31 March 2017, the unaudited pro forma combined statements of comprehensive income for the year ended 31 March 2017, the unaudited pro forma combined statements of cash flow for the year ended 31 March 2017, and related notes as set out on pages F-4 to F-17 of the Circular issued by the Company. The applicable criteria on the basis of which Directors of the Company have compiled the unaudited pro forma combined financial information are described in Note 5 of the unaudited pro forma combined financial information.

The unaudited pro forma combined financial information has been compiled by the Directors of the Company to illustrate the impact of the Proposed Acquisition based on the Criteria described in Note 5 to the unaudited pro forma financial information to show what:

(a) The unaudited pro forma combined statements of comprehensive income and unaudited pro forma combined statements of cash flows of the Enlarged Group for the year ended 31 March 2017 would have been if the Proposed Acquisition occurred on 1 April 2016; and

(b) The unaudited pro forma combined statements of financial position of the Enlarged Group as at 31 March 2017 would have been if the Proposed Acquisition occurred on 31 March 2017.

The dates on which the Proposed Acquisition described above are assumed to have been undertaken, are herein collectively referred to as the ("Relevant Dates").

As part of this process, information about the unaudited pro forma financial information in respect of Pollux Group and Pollux Alpha Investments Ltd has been extracted by Directors of the Company from the following:

(a) Audited consolidated financial statements of Pollux Group for the year ended 31 March 2017, on which an audit report has been issued;

(b) Audited combined financial statements of Pollux Alpha Investments Ltd and its subsidiaries for the year ended 31 March 2017, on which an audit report has been issued;

Directors' responsibility for the Unaudited Pro forma Combined Financial Information

The Directors of the Company are responsible for compiling the unaudited pro forma combined financial Information on the basis of the applicable criteria described in Note 5 of the unaudited pro forma combined financial information.

Pollux Properties Ltd. and its Subsidiaries

Report on the compilation of unaudited pro forma combined financial information of Pollux Properties Ltd. and its subsidiaries for the year ended 31 March 2017 included in the circular to shareholders of Pollux Properties Ltd.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Reporting Auditor's responsibilities

Our responsibility is to express an opinion about whether the unaudited pro forma combined financial information has been compiled, in all material respects, by the Directors of the Company on the basis as described in Note 5 of the unaudited pro forma combined financial information.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements (SSAE) 3420, Assurance Engagements to *Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Institute of Singapore Chartered Accountants. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether Directors of the Company have compiled, in all material respects, the unaudited pro forma combined financial information on the basis as described in Note 5 of the unaudited pro forma combined financial information.

For purposes of this engagement, we are not responsible for updating or reissuing and hence have not updated or reissued any reports or opinions on any historical financial information used in compiling the unaudited pro forma combined financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma combined financial information.

The purpose of unaudited pro forma combined financial information included in the Circular to the shareholders is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at each of the Relevant Dates would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma combined financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by Directors of the Company in the compilation of the unaudited pro forma combined financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma combined financial information reflects the proper application of those adjustments to the unadjusted financial information.

Pollux Properties Ltd. and its Subsidiaries

Report on the compilation of unaudited pro forma combined financial information of Pollux Properties Ltd. and its subsidiaries for the year ended 31 March 2017 included in the circular to shareholders of Pollux Properties Ltd.

The procedures selected depend on the Reporting Auditor's judgement, having regard to the Reporting Auditor's understanding of the nature of the event or transaction in respect of which the unaudited pro forma combined financial information has been compiled and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma combined financial information of the Enlarged Group.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

The unaudited pro forma combined financial information has been compiled:

(i) in a manner consistent with the accounting policies adopted by the Enlarged Group, which are in accordance with the Singapore Financial Reporting Standards; and

(ii) on the basis of the applicable criteria stated in Note 5 to the unaudited pro forma combined financial information is appropriate.

In our opinion, each material adjustment made to the information used in the preparation of the unaudited pro forma combined financial information is appropriate for the purpose of preparing such unaudited financial information.

This report has been prepared for inclusion in the Circular of Pollux Properties Ltd. to be issued in connection with the Proposed Acquisition and should not be used for any other purpose.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

Partner in charge: Ng Boon Heng
15 September 2017

Pollux Properties Ltd. and its Subsidiaries

Unaudited pro forma combined statements of comprehensive income for the year ended 31 March 2017

	2017 **$**
Revenue	39,855,275
Cost of sales	(26,533,548)
Gross profit	13,321,727
Other income	724,015
Other items of expense	
Marketing and distribution	(90,594)
General and administrative expenses	(11,191,475)
Finance costs	(4,086,474)
Share of result of an associate, net of tax	(2,551)
Share of result of a joint venture, net of tax	6,362,654
Profit before tax	5,037,302
Income tax expense	(1,032,200)
Profit for the financial year	4,005,102
Other comprehensive income for the financial year, net of tax	–
Total comprehensive income for the year	4,005,102
Attributable to: **Owners of the Company**	
Profit for the year attributable to owners of the Company	4,005,102
Total comprehensive income for the financial year attributable to owners of the Company	4,005,102

Pollux Properties Ltd. and its Subsidiaries

Unaudited pro forma combined statements of financial position as at 31 March 2017

	2017
	$
Non-current assets	
Plant and equipment	3,122,055
Investment properties	335,188,220
Investment in a joint venture	13,197,787
Investment in an associate	847,293
	352,355,355
Current assets	
Properties under development	25,754,056
Trade receivables	13,590,654
Other receivables and deposits	484,217
Prepaid operating expenses	114,098
Investment securities	215,250
Due from related companies	9,186,966
Cash and cash equivalents	15,893,176
	65,238,417
Total assets	417,593,772
Current liabilities	
Trade payables	3,746,664
Deferred revenue	497,696
Other payables and accruals	5,299,451
Loan from joint venture	14,490,601
Due to a director	2,236
Loans and borrowings	176,012,592
Provision for taxation	1,595,215
	201,644,455
Net current liabilities	(136,406,038)
Non-current liabilities	
Deferred tax liabilities	543,810
Loans and borrowings	17,371,026
	17,914,836
Total liabilities	219,559,291
Net assets	198,034,481
Equity	
Share capital	199,805,876
Revenue reserves	(1,771,395)
Total equity	198,034,481
Total equity and liabilities	417,593,772

Pollux Properties Ltd. and its Subsidiaries

Unaudited pro forma combined statements of cash flow for the year ended 31 March 2017

	2017
	$
Cash flows from operating activities	
Profit before tax	5,037,302
Adjustments for:	
Depreciation of plant and equipment	878,895
Depreciation of investment properties	4,230,004
Interest income	(85,384)
Interest expense	4,032,466
Allowance for doubtful debts for other receivables	1,000,625
Other receivables written-off	2,000
Dividend income from investments	(13,136)
Gain on fair value changes on investment securities	(45,000)
Plant and equipment written off	5,671
Share of result of a joint venture	(6,362,654)
Share of result of an associate	2,551
Operating cash flows before changes in working capital	8,683,340
Decrease/(increase) in:	
Properties under development	16,445,721
Completed property held for sale	626,227
Trade receivables	(6,728,849)
Other receivables, deposits and prepayments	(172,866)
(Decrease)/increase in:	
Trade payables	(47,412)
Deferred revenue	313,958
Other payables and accruals	(772,636)
Cash flows from operations	18,347,483
Interest paid	(4,411,726)
Interest received	85,384
Income taxes paid	(686,254)
Net cash flows from operating activities	13,334,887

Pollux Properties Ltd. and its Subsidiaries

Unaudited pro forma combined statements of cash flow for the year ended 31 March 2017

	2017
	$
Cash flows from investing activities	
Net cash inflow from acquisition of a subsidiary	9,860,422
Purchase of plant and equipment	(176,616)
Additions of investment properties	(1,474,124)
Increase in amount due from related companies	(4,928,922)
Dividend income from investments	13,136
Increase in amount due from related parties	(15)
Net cash flows from investing activities	3,293,881
Cash flows from financing activities	
Repayment of loans and borrowings	(22,491,605)
Proceeds from loans and borrowings	11,732,989
Repayment from a director	82,699
Net cash flows used in financing activities	(10,675,917)
Net increase in cash and cash equivalents	5,952,851
Cash and cash equivalents at beginning of financial year	9,940,325
Cash and cash equivalents at end of financial year	15,893,176

These selective notes form an integral part of and should be read in conjunction with the accompanying unaudited pro forma combined financial information.

Pollux Properties Ltd. and its Subsidiaries

Notes to the unaudited pro forma combined financial information of the enlarged group for the financial year ended 31 March 2017

1. General

The unaudited pro forma combined financial information has been prepared for inclusion in the Circular to shareholders (the "Circular") of Pollux Properties Ltd. ("Pollux" or the "Company") in connection with the proposed acquisition of the entire issued and paid-up share capital of Pollux Alpha Investments Ltd ("PAI").

The enlarged group of companies comprising the Company and its subsidiaries (the "Pollux Group") and PAI and its subsidiaries (collectively referred to as "Target Group"), following the completion of the proposed acquisition, are collectively known as the "Enlarged Group".

2. Corporate information

Pollux Properties Ltd. (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 391A Orchard Road, #08-07, Ngee Ann City Tower A, Singapore 238873.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries of the Enlarged Group are disclosed in Note 4.

3. The Proposed Acquisition

On 8 August 2017, the Company entered into a conditional sale and purchase agreement (the "SPA") with Pollux Holdings Pte. Ltd. (the "Vendor") in relation to the proposed acquisition of the entire issued and paid-up share capital of Pollux Alpha Investments Ltd (the "Proposed Acquisition").

The consideration for the Proposed Acquisition is S$200,938,367 (the "Consideration"), which shall be satisfied by the Company in the following manner:

(a) the setting-off of S$55,938,367, being the amount due from the Vendor to PAI as at 31 March 2017 (the "Set-off"); and

(b) the allotment and issue of 2,132,352,941 new ordinary shares ("Shares") in the capital of the Company (the "Consideration Shares") to the Vendor in respect of the balance amount after applying the Set-off, at an issue price of 6.8 cents per Consideration Share (the "Issue Price").

The Consideration Shares, when allotted and issued to the Vendor, shall be fully paid, free from all claims and encumbrances and shall rank *pari passu* in all respects with the Shares as at the date of issue of the Consideration Shares.

Pollux Properties Ltd. and its Subsidiaries

Notes to the unaudited pro forma combined financial information of the enlarged group for the financial year ended 31 March 2017

3. The Proposed Acquisition (cont'd)

The Consideration was arrived at on a willing-buyer willing-seller basis, after arm's length negotiations and taking into consideration the net asset value of the PAI Group of S$200,955,119 based on the PAI Group's audited financial statements for FY2017 and after taking into account a receivable of S$55,938,367 due from the Vendor to PAI as at 31 March 2017.

4. The Enlarged Group

Pursuant to the Proposed Acquisition, the Company will have the following subsidiaries, joint venture and associate.

Name of company	Country of incorporation	Principal activities	Effective equity interest held (%)
Subsidiaries			
Held by the Company			
Luban Investments Pte. Ltd.(1)	Singapore	Investment property	100
Kovan Properties Pte. Ltd.(1)	Singapore	Investment holding	100
Pollux Alpha Investments Ltd(1)	British Virgin Island	Investment holding	100
Held through subsidiaries			
Kovan Central Pte. Ltd.(1)	Singapore	Property development	100
Boulevard Residences Pte. Ltd.(1)	Singapore	Property development	100
Bvlgari Park Residences Pte. Ltd.(1)	Singapore	Property development	100
Channel Residences Pte. Ltd.(1)	Singapore	Property development	100
Giorgio Residences Pte. Ltd.(1)	Singapore	Property development	100
Peninsula Park Residences Pte. Ltd.(1)	Singapore	Investment property	100
Tinifia Investment Pte. Ltd.(1)	Singapore	Investment property	100
Orchard Residence Investment Pte. Ltd. (1)	Singapore	Investment property	100
Richmond View Investment Pte. Ltd. (1)	Singapore	Investment property	100

Pollux Properties Ltd. and its Subsidiaries

Notes to the unaudited pro forma combined financial information of the enlarged group for the financial year ended 31 March 2017

4. The Enlarged Group (cont'd)

Name of company	Country of incorporation	Principal activities	Effective equity interest held (%)
Symbianta Worldwide Inc.[1]	British Virgin Island	Investment property	100
Savers Investment Ltd[1]	British Virgin Island	Investment property	100
Cherimoya Worldwide Corporation[1]	British Virgin Island	Investment property	100
Joint venture			
Pollux Botero Pte. Ltd.[1]	Singapore	Investment holding	50
Associate			
Stirling Fort Capital Pte. Ltd.[2]	Singapore	Fund management and provision of investment advisory services approved by Monetary Authority of Singapore	50.01

Notes:

(1) Audited by Ernst & Young LLP, Singapore

(2) Audited by Compliance Assurance PAC, Singapore

5. Basis of preparation of the unaudited pro forma combined financial information

The unaudited pro forma combined financial information refers to the combined financial information of the Enlarged Group.

The unaudited pro forma combined financial information comprise the unaudited pro forma combined statements of comprehensive income for the year ended 31 March 2017, the unaudited combined statements of financial position as at 31 March 2017 and the unaudited combined statements of cash flow for the year ended 31 March 2017.

The unaudited pro forma combined statements of comprehensive income and unaudited pro forma combined statements of cash flows of the Enlarged Group for the year ended 31 March 2017 would have been if the Proposed Acquisition occurred on 1 April 2016.

The unaudited pro forma combined statements of financial position of the Enlarged Group as at 31 March 2017 would have been if the Proposed Acquisition occurred on 1 April for each of the respective years and period reported.

Pollux Properties Ltd. and its Subsidiaries

Notes to the unaudited pro forma combined financial information of the enlarged group for the financial year ended 31 March 2017

5. Basis of preparation of the unaudited pro forma combined financial information (cont'd)

The unaudited pro forma combined financial information are for illustrative purposes only. The objective is to show what the historical financial information might have been had the Enlarged Group existed at an earlier date. However, the financial information of the Enlarged Group, by its nature may not give a true picture of the Enlarged Group's actual financial position and results and is not necessarily indicative of the results of the operations or the related effects on the financial position that would have been attained had the abovementioned Enlarged Group existed earlier.

In arriving at the unaudited pro forma combined financial information, adjustments and assumptions have been made as considered necessary in order to present the financial statements on a consistent and comparable basis as if the Enlarged Group had been in existence through the period, or since the respective dates of incorporation or acquisition of the companies in the Enlarged Group:

(a) 2,132,352,941 new shares at the issue price of $0.068 per Consideration Share credited as fully paid-up;

(b) Estimated expenses relating to the acquisition amounting to $325,000.

(c) The effects of any changes to the depreciation and amortisation, and any other adjustments arising from fair value adjustments to the assets, liabilities and contingent liabilities arising from the Proposed Acquisition may differ from the actual cost as at the actual date of completion of the Proposed Acquisition upon the full completion of a purchase price allocation exercise.

The unaudited pro forma combined financial information of the Enlarged Group have been compiled based on the following:

(a) The consolidated financial statements of Pollux Properties Ltd. and its subsidiaries for the financial year ended 31 March 2017 which were audited by Ernst & Young LLP, Singapore. These financial statements were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

(b) The consolidated financial statements of Pollux Alpha Investments Ltd and its subsidiaries for the financial year ended 31 March 2017 which were audited by Ernst & Young LLP, Singapore. These financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS").

(c) The auditor's report on the financial statements mentioned in (a) and (b) above was not subject to any qualification.

Pollux Properties Ltd. and its Subsidiaries

Notes to the unaudited pro forma combined financial information of the enlarged group for the financial year ended 31 March 2017

5. Basis of preparation of the unaudited pro forma combined financial information (cont'd)

The unaudited pro forma combined financial statements are prepared using uniform accounting policies, for like transactions and other event in similar circumstances, as set out in respective financial statements in the Circular.

The Proposed Acquisition is a business combination of entities under common control which can be accounted for by applying either the acquisition method or the pooling of interest method.

The unaudited pro forma combined financial statements are prepared using the acquisition method as set out in FRS 103 Business Combination as the acquisition has substance from the perspective of the Company and was conducted at fair value.

In accounting for the Proposed Acquisition, the consideration includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The identifiable assets acquired and liabilities assumed in the acquisition are measured at their fair values. The excess of the consideration over the fair values of the identifiable net assets acquired is recorded as goodwill or gain on bargain purchase. As the actual goodwill or gain on bargain purchase will be determined at the completion of the Proposed Acquisition, the eventual amounts could be materially different from the amount derived based on the assumption used.

The Company prepares its financial statements using SFRS. The Directors of the Company believe that, based on initial assessment, there are no principal differences between the SFRS and IFRS (being PAI's accounting standards) that are applied to the Company and PAI, respectively. Hence, there may not be a material impact on the financial statements of PAI if they were prepared under SFRS.

Pollux Properties Ltd. and its Subsidiaries

Notes to the unaudited pro forma combined financial information of the enlarged group for the financial year ended 31 March 2017

6. Statement of adjustments

The following adjustments have been made in arriving the unaudited pro forma combined financial information:

Unaudited Pro Forma Combined Statement of Comprehensive Income for the year ended 31 March 2017

	Summation of Financial Information of Enlarged Group before Adjustment		Pro Forma Adjustments for Enlarged Group	Unaudited Pro Forma Combined Statement of Comprehensive Income
	$		$	$
Revenue	39,855,275			39,855,275
Cost of sales	(26,533,548)			(26,533,548)
Gross profit	13,321,727			13,321,727
Other income	34,266,015	(a)	(33,542,000)	724,015
Marketing and distribution	(90,594)			(90,594)
General and administrative expenses	(9,388,940)	(a)	(1,477,535)	(11,191,475)
		(b)	(325,000)	
Finance costs	(4,086,474)			(4,086,474)
Share of result of an associate, net of tax	(2,551)			(2,551)
Share of result of a joint venture, net of tax	6,362,654			6,362,654
Profit before tax	40,381,837			5,037,302
Income tax expense	(1,032,200)			(1,032,200)
Profit after tax	39,349,637			4,005,102
Other comprehensive income for the financial year, net of tax	–			–
Total comprehensive income for the year	39,349,637			4,005,102
Attributable to:				
Owners of the Company				
Profit for the year attributable to owners of the Company	39,349,637			4,005,102
Total comprehensive income for the financial year attributable to owners of the Company	39,349,637			4,005,102

Pollux Properties Ltd. and its Subsidiaries

Notes to the unaudited pro forma combined financial information of the enlarged group for the financial year ended 31 March 2017

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Combined Statement of Financial Position as at 31 March 2017

	Summation of Financial Information of Enlarged Group before Adjustment $		Pro Forma Adjustments for Enlarged Group $	Unaudited Pro Forma Combined Statement of Financial Position $
Non-current assets				
Plant and equipment	3,122,055			3,122,055
Investment properties	335,188,220			335,188,220
Investment in a joint venture	13,197,787			13,197,787
Investment in an associate	847,293			847,293
	352,355,355			352,355,355
Current assets				
Properties under development	25,754,056			25,754,056
Trade receivables	13,590,654			13,590,654
Other receivables and deposits	484,217			484,217
Prepaid operating expenses	114,098			114,098
Investment in financial asset	215,250			215,250
Due from holding company	55,938,367	(c)	(55,938,367)	–
Due from related companies	9,186,966			9,186,966
Cash and cash equivalents	15,893,176			15,893,176
	121,176,784			65,238,417
Total assets	473,532,139			417,593,772

Pollux Properties Ltd. and its Subsidiaries

Notes to the unaudited pro forma combined financial information of the enlarged group for the financial year ended 31 March 2017

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Combined Statement of Financial Position as at 31 March 2017 (cont'd)

	Summation of Financial Information of Enlarged Group before Adjustment $		Pro Forma Adjustments for Enlarged Group $	Unaudited Pro Forma Combined Statement of Financial Position $
Current liabilities				
Trade payables	3,746,664			3,746,664
Deferred revenue	497,696			497,696
Other payables and accruals	4,957,699	(b)	341,752	5,299,451
Loan from joint venture	14,490,601			14,490,601
Due to director	2,236			2,236
Loans and borrowings	176,012,592			176,012,592
Provision for taxation	1,595,215			1,595,215
	201,302,703			201,644,455
Net current liabilities	(80,125,919)			(136,406,038)
Non-current liabilities				
Deferred tax liabilities	543,810			543,810
Loans and borrowings	17,371,026			17,371,026
	17,914,836			17,914,836
Total liabilities	219,217,539			219,559,291
Net assets	254,314,600			198,034,481
Equity				
Share capital	218,805,877	(d)	(19,000,001)	199,805,876
Revenue reserves	35,508,723	(e)	(37,280,118)	(1,771,395)
Total equity	254,314,600			198,034,481

Pollux Properties Ltd. and its Subsidiaries

Notes to the unaudited pro forma combined financial information of the enlarged group for the financial year ended 31 March 2017

6. Statement of adjustments (cont'd)

Details of pro forma adjustments made are as follows:

(a) Being adjustments to account for the change in accounting policy for investment properties from fair value model to cost model.

(b) Being adjustments to account for the estimated administrative expenses incurred for the acquisition.

(c) Being adjustments to net off the amount due from holding company.

(d) Being adjustments to account for the issuance of 2,132,352,941 new ordinary shares based on the share price as at 31 March 2017 pursuant to the Proposed Acquisition.

(e) Being adjustments to reflect the Company's share of pre-acquisition reserve.

7. Earnings per share

Basic earnings per share are calculated by dividing profit net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year. The number of ordinary shares outstanding is based on the number of shares of the Company as at 31 March 2017 as disclosed below for illustrative purpose.

(A) Computation of number of Consolidated Shares for purpose of the Proposed Acquisition

	Number of shares issued
Number of shares as at 31 March 2017	627,115,384
Issuance of consideration shares in connection with the Proposed Acquisition	2,132,352,941
Total number of ordinary shares	2,759,468,325

Pollux Properties Ltd. and its Subsidiaries

Notes to the unaudited pro forma combined financial information of the enlarged group for the financial year ended 31 March 2017

7. Earnings per share (cont'd)

(B) The following tables reflect the profit for the year attributable to owners of the Company and share data used in the computation of basic and diluted earnings per share for the year ended 31 March 2017:

	2017
Profit for the year attributable to owners of the Company ($)	4,005,102
Number of Consolidated Shares (in '000) computed based on (A) above	2,759,468
Basic and diluted earnings per Consolidated Share (cents)	0.145

The diluted earnings per share are the same as basic earnings per share because there are no potential dilutive instruments present at year end.

POLLUX PROPERTIES LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199904729G)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of **POLLUX PROPERTIES LTD.** (the "**Company**") will be held at Mandarin Meeting Suite 802, Level 8 Main Tower, Mandarin Orchard Singapore, 333 Orchard Road, Singapore 238867 on 23 October 2017 at 2:00 p.m. for the purposes of considering, and if thought fit, passing, with or without modifications, the following resolutions:

Unless otherwise defined, all capitalised terms used in this Notice of EGM shall have the same meaning ascribed to them in the Circular to Shareholders dated 29 September 2017.

ORDINARY RESOLUTION 1:

THE PROPOSED ACQUISITION OF 100% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF POLLUX ALPHA INVESTMENTS LTD

Resolved that subject to and contingent upon the passing of Ordinary Resolution 2:

(a) approval be and is hereby given for the Proposed Acquisition of the entire issued and paid-up share capital in Pollux Alpha Investments Ltd for the Consideration of S$200,938,367 on the terms and subject to the conditions of the SPA, such Proposed Acquisition being a "major transaction" and an "interested person transaction" for the purposes of Chapters 9 and 10 respectively of the Catalist Rules;

(b) all the Directors and each of them be and are hereby authorised to do any and all such acts and things (including, but not limited to, executing all such documents as may be required) as such Director may, in their absolute discretion deem fit, advisable, necessary or expedient to give effect to the matters referred to in paragraph (a) of this Ordinary Resolution 1 and to give effect to this Ordinary Resolution 1 (including any amendments to and execution of any agreements or documents, such as the SPA, and procurement of third party consents) as he shall think fit and in the interests of the Company, and the taking of any and all actions whatsoever, by any Director on behalf of the Company in connection with the Proposed Acquisition prior to the date of the EGM be and are hereby approved, ratified and confirmed.

ORDINARY RESOLUTION 2:

THE PROPOSED ALLOTMENT AND ISSUANCE OF 2,132,352,941 CONSIDERATION SHARES AT THE ISSUE PRICE OF S$0.068 PER CONSIDERATION SHARE TO THE VENDOR

Resolved that subject to and contingent upon the passing of Ordinary Resolution 1:

(a) pursuant to Section 161 of the Companies Act and Chapter 8 of the Catalist Rules, approval be and is hereby given for the allotment and issuance of 2,132,352,941 Consideration Shares at the Issue Price of S$0.068 for each Consideration Share to the Vendor on the terms and subject to the conditions of the SPA; and

(b) all the Directors of the Company and each of them be and are hereby authorised to do any and all such acts and things (including, but not limited to, executing all such documents as may be required) as such Director may, in their absolute discretion deem fit, advisable, necessary or expedient to give effect to the matters referred to in paragraph (a) of this Ordinary Resolution 2 and to give effect to this Ordinary Resolution 2 (including any amendments to and execution of any agreements or documents, and procurement of third party consents) as he shall think fit and in the interests of the Company, and the taking of any and all actions whatsoever, by any Director on behalf of the Company in connection with the matters referred to in paragraph (a) of this Ordinary Resolution 2 prior to the date of the EGM be and are hereby approved, ratified and confirmed.

Shareholders should note that Ordinary Resolutions 1 and 2 are inter-conditional upon each other. This means that:

(a) if Ordinary Resolution 2 is not passed, Ordinary Resolution 1 would not be passed; and

(b) if Ordinary Resolution 1 is not passed, Ordinary Resolution 2 would not be passed.

ABSTENTION FROM VOTING

The Vendor, Dr. Nico Purnomo Po and their respective Associates shall abstain from exercising any voting rights on Ordinary Resolutions 1 and 2 set out in this Notice of EGM.

BY ORDER OF THE BOARD

Nico Purnomo Po
Executive Director and Chief Executive Officer
Singapore
29 September 2017

Notes:

(1) (a) A member of the Company ("**Member**") (other than a Member who is a relevant intermediary) entitled to attend and vote at the EGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where a Member appoints two (2) proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form.

(b) A Member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

(2) A proxy needs not be a Member.

(3) The instrument appointing a proxy or proxies that has been executed by a Member, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof), must be deposited at the registered office of the Company at 391A Orchard Road #08-07 Ngee Ann City Tower A Singapore 238873, not less than 48 hours before the time appointed for holding the EGM.

(4) In the case of Members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such Members are not shown to have shares entered against their names in the Depository Register as certified by CDP at least 72 hours before the time appointed for the holding of the EGM.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Member (i) consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Member discloses the personal data of the Member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request, and (iv) agrees to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Member's breach of warranty.

*This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Advisors Private Limited ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this notice. This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made, or reports contained in this notice.*

The contact person for the Sponsor is Ms. Lee Khai Yinn, at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542, telephone (65) 6532 3829. SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.

PROXY FORM

POLLUX PROPERTIES LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 199904729G)

PROXY FORM
EXTRAORDINARY GENERAL MEETING

IMPORTANT
1. A relevant intermediary may appoint more than two (2) proxies to attend the EGM.
2. For investors who have used their Central Provident Fund ("CPF") monies ("CPF Investors") and/or monies in the Supplementary Retirement Scheme ("SRS") accounts ("SRS Investors") to buy Pollux Properties Ltd.'s shares, this Circular and its enclosures are forwarded to them at the request of their CPF and/or SRS Approved Nominees (as the case may be) and is sent solely FOR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF investors and SRS Investors who wish to vote at the EGM should contact their CPF and/or SRS Approved Nominees.

I/We* ______________________________ (Name) ____________________ (NRIC/Passport No.)

of ____ (Address)
being a member/members* of Pollux Properties Ltd. (the "**Company**") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholding (%)

And/or* (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholding (%)

as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf at the EGM to be held on 23 October 2017 at 2:00 p.m., at Mandarin Meeting Suite 802, Level 8, Main Tower, Mandarin Orchard Singapore, 333 Orchard Road, Singapore 238867 for the purpose of considering and if thought fit, passing the resolutions (with or without modifications) as set out in the Notice of EGM, and at such EGM (or the adjournment thereof) to vote for *me/us and in *my/our name(s) in respect of the said resolutions as hereunder indicated. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/their discretion, as *he/they will on any other matter arising at the EGM. If no person is named in the above boxes, the Chairman of the EGM shall be my/our* proxy to vote, for or against the Resolutions to be proposed at the EGM as indicated hereunder for me/us* and on my/our* behalf at the EGM and at any adjournment thereof.

* Please delete accordingly

	Ordinary Resolution	For**	Against
1.	The Proposed Acquisition of 100% of the issued and paid-up share capital of Pollux Alpha Investments Ltd		
2.	The proposed allotment and issuance of 2,132,352,941 Consideration Shares at the Issue Price of S$0.068 per Consideration Share to the Vendor		

** Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against", please tick [✔] within the box provided. Otherwise, please indicate the number of votes as appropriate.

Dated this _______ day of ________________ 2017

Total number of Shares held in:	No. of Shares
CDP Register	
Register of Members	

____
Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. A member of the Company ("**Member**") should insert the total number of ordinary shares of the Company ("**Shares**") held by him/her. If the Member has Shares entered against his/her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), he/she should insert that number. If the Member has Shares registered in his/her name in the Register of Members, he/she should insert that number. If the Member has Shares entered against his/her name in the Depository Register and Shares registered in his/her name in the Register of Members, he/she should insert the aggregate number. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by the Member.

2. (a) A Member (other than a Member who is a relevant intermediary) entitled to attend and vote at the EGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where a Member appoints two (2) proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of the proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of Shares entered against his name in the Depository Register and any second named proxy as alternate to the first named or at the Company's option to treat the instrument of proxy as invalid.

   (b) A Member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Member. Where such Member's form of proxy appoints more than two (2) proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

3. A proxy need not be a Member.

4. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 391A Orchard Road #08-07 Ngee Ann City Tower A Singapore 238873, not less than 48 hours before the time appointed for holding the EGM.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

6. Where the instrument appointing a proxy is signed by an attorney, the letter or power of attorney or other authority, if any, or a duly certified copy thereof shall (failing previous registration with the Company) be stamped and be lodged with the instrument of proxy at the registered office of the Company, not less than 48 hours before the time appointed for holding the EGM and/or any adjournment thereof at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

7. A corporation which is a Member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

8, In the case of joint holders of Shares, any one of such persons may vote, but if more than one of such persons is present at the EGM, the person whose name stands first on the Register of Members or (as the case may be) in the Depository Register shall alone be entitled to vote.

9. Any alteration made to the instrument of proxy should be initialled by the person who signs it.

General: The sending of a Proxy Form by a Member does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked. The Company shall be entitled to reject an instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies lodged if such Members being the appointor, is not shown to have Shares entered against his names in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s), the Member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 29 September 2017.