POLLUX PROPERTIES LTD.
(Company Registration Number: 199904729G)

UPDATE ANNOUNCEMENT

1. INTRODUCTION

The board of directors (the **"Board"** or **"Directors"**) of Pollux Properties Ltd. (the "**Company**") refers to its 2018 annual report (the "**2018 Annual Report**") in relation to the Company's agreement to indemnify Lorenzo International Limited ("**Lorenzo**") for any "actual and proven damages" arising from the construction projects undertaken prior to the disposal of the Company's subsidiary Builders Shop Pte Ltd ("**Builders Shop**") to Lorenzo in the financial year ended 31 March 2012.

2. UPDATE

Further to the disclosure in the 2018 Annual Report in relation to the above, the Company would like to inform shareholders that it had received a letter of demand dated 14 March 2019 claiming for the payment of S$5.0 million. This claim is subject to the deduction of a rental deposit amount of approximately S$1.7 million due from Builders Shop (as set out in the 2013 annual report of the Company) and the payment of legal fees made on behalf of Lorenzo of approximately S$0.7 million (as set out in the 2015 annual report of the Company). The remainder of the claim made by Lorenzo after deducting the rental deposit and legal fees is approximately S$2.6 million.

The deadline for payment as stipulated in the letter is 28 March 2019. Based on the documents and information at hand, the Company is of the view that Lorenzo's claim is premature, and of no merit, at this stage. The Company shall continue to obtain advice from its legal advisors on the appropriate way forward.

Both the payment of legal fees made on behalf of Lorenzo and rental deposit was recorded as other receivables in the Company's balance sheet and the Company has previously provided an allowance of approximately S$2.0 million in its accounts as of the financial year ended 31 March 2018.

The Company will make further announcements as and when there are material developments on the above.

BY ORDER OF THE BOARD

Nico Purnomo Po
Chief Executive Officer
19 March 2019

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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