



POLLUX PROPERTIES LTD.

(Company Registration Number: 199904729G)

RESULT OF APPLICATION FOR WAIVER FROM COMPLIANCE WITH CATALIST RULE 1014(2) IN RELATION TO OBTAINING SHAREHOLDERS' APPROVAL FOR THE DISPOSALS (AS DEFINED BELOW) (THE "WAIVER")

Unless otherwise defined, all capitalised items used herein shall bear the meanings as ascribed to them in the Previous Announcements (as defined below).

The Board of Directors (the "**Board**") of Pollux Properties Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") refers to its announcements dated 27 September 2024 and 2 October 2024 (the "**Previous Announcements**") in relation to the disposal of an investment property at 57B Devonshire Road #05-04 Singapore 239899 (the "**0504 Property**") and the proposed disposal of an investment property at 57B Devonshire Road #06-04 Singapore 239899 (the "**0604 Property**", and together with the 0504 Property, the "**Properties**") (collectively, the "**Disposals**") respectively. Subsequently on 4 October 2024, the option-to-purchase for the sale of the 0604 Property was exercised by the purchaser.

The Company had on 5 November 2024, through its continuing sponsor, submitted an application to seek the Waiver in respect of the Disposals. The Board wishes to inform its shareholders ("**Shareholders**") that SGX-ST had, on 19 November 2024, advised that it has no objection to the Waiver.

The Waiver is subject to the following conditions:

- (i) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Catalist Rule 106 and if the Waiver's conditions have been satisfied. If the Waiver's conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
- (ii) the Company classifying each of the Proposed Disposals as a disclosable transaction and complying with the relevant requirements under Chapter 10; and
- (iii) the Board of Directors' confirmation that the Waiver will not be in contravention of any laws and regulations governing the Company and its constitution (or the equivalent in the Company's country of incorporation).

In relation to (i) above, the reasons for seeking the Waiver are as follows:

1. Each of the Properties is a non-core asset that is not critical and is ancillary to the principal business activity of the Company and is not an existing principal business of the Company, for the following reasons:
 - (a) The net asset value of 0504 Property and 0604 Property accounted for 1.63% and 1.68% respectively of the Group's net asset value as at 30 June 2024;
 - (b) The book value of 0504 Property and 0604 Property accounted for 0.92% and 0.95% respectively of the Group's total assets as at 30 June 2024;
 - (c) The Company has two (2) main operating segments, namely property investment and hotel operations. The 0504 Property and 0604 Property are two (2) units in one of the

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- six (6) investment properties¹ held by the Group within the property investment segment, constituting 0.99% and 1.02% respectively of the Group's total investment property assets in this operating segment as at 30 June 2024;
- (d) In both the six-month financial period ended 30 June 2024 and the financial year ended 31 December 2023 (“FY2023”), the annual rental income generated from each of the Properties contributed to less than 1% of the Group's revenue;
 - (e) In the six-month financial period ended 30 June 2024, the 0504 Property and 0604 Property generated a net profit before tax of S\$3,987 and S\$3,462 respectively vis-à-vis the Group's consolidated net loss before tax of S\$42,138;
 - (f) In FY2023, the 0504 Property and 0604 Property generated a net loss before tax of S\$4,321 and S\$12,198 respectively vis-à-vis the Group's consolidated net profit before tax of S\$2,556,359; and
 - (g) Each of the Disposals does not have a significant effect on the Group's existing business. As set out in the Previous Announcements, assuming that each of the Disposals had been effected on 31 December 2023, there is only a marginal decrease of 0.01 Singapore cents, or 0.13%, in the net tangible assets per share from 7.54 Singapore cents before each of the Disposals to 7.53 Singapore cents after each of the Disposals; and assuming that each of the Disposals had been effected on 1 January 2023, there is no change in the earnings per share after each of the Disposals.
2. The Company is of the view that each of the Disposals is in the best interests of the Shareholders, including the minority Shareholders, for the following reasons:
- (a) Notwithstanding the current lease for the 0504 Property and 0604 Property will only end on 9 February 2025 and 20 April 2025 respectively, the maintenance expenses (including financing costs, repair and maintenance costs and property tax) relating to the 0504 Property and 0604 Property in FY2023 amounted to S\$94,621 and S\$101,808 respectively, representing 95.77% and 103.56% respectively of the annual rental income generated in FY2023. Each of the Disposals enables the Group to realise the value of the Properties and is in line with the Group's strategy to be cost-efficient;
 - (b) As each of the Properties generated a net loss before tax in FY2023, the rental yield for FY2023 was negative for each of the Properties. Each of the Disposals would enable the Group to be in a position to unlock cash flow in order to invest in other properties with positive yields;
 - (c) The Group's cash and cash equivalents stood at approximately S\$2.5 million and it recorded a negative net working capital position of approximately S\$18.2 million as at 30 June 2024. Each of the Disposals would improve the Group's cash position by more than double and allow more liquidity and working capital for its operations;
 - (d) The Company had appointed an independent property valuer, JY Realty Pte. Ltd., to conduct a desktop valuation on each of the Properties. Based on its valuation reports dated 3 October 2024, the open market value of 0504 Property and 0604 Property as at 1 September 2024 was S\$3,280,000 and S\$3,300,000 respectively. In arriving at the open market value of each Properties, the property valuer had taken into account transactions of comparable properties with regards to their location, tenure, age, size, design, layout, condition amongst other factors.

Accordingly, notwithstanding the loss on disposal incurred from the sale of the 0504

¹ As at 30 June 2024, the Group held 111 units in five (5) buildings and ten (10) storeys in Macdonald House.

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Property and the 0604 Property of S\$100,000² and S\$180,000³ respectively, the consideration for each Disposal represented the market value as at 1 September 2024 and hence the Company is of the view that the selling price reflects the fair market value of the Properties; and

- (e) There was no other firm alternative offer for each of the 0504 Property and 0604 Property, and the consideration for each Disposal was the best price offered for each of the Properties.
3. Based on feedback from ERA Realty Pte. Ltd., the independent property agent appointed by the Company, on the then market conditions, the Company noted that it was difficult to secure a buyer at the desired price. Therefore, an earlier completion of each Disposal would be in the interests of the Group, as it would enable the Group to pull the proceeds back to be in a stronger position to invest in properties and/or projects that provide higher returns and better cash flows as and when opportunities arise.
 4. Based on points set out in paragraphs 1 and 2 above, the Board is of the opinion that there will be no material change in the risk profile of the Company arising from each of the Disposals.
 5. The controlling shareholder of the Company, Mr. Nico Purnomo Po (who is also the Executive Director and Chief Executive Officer of the Group and is deemed interested in 1,713,242,325 shares, representing 62.09% of the total shares of the Company) would nonetheless vote in favour of the Disposals should an extraordinary general meeting be required to be convened. Accordingly, it would not be cost-effective to convene an extraordinary general meeting to obtain Shareholders' approval for the Disposals.

In relation to (ii) above, the Company has classified each of the Disposals as a disclosable transaction and has complied with the relevant requirements under Chapter 10. Please refer to Previous Announcements for further details.

In relation to (iii) above, the Board confirms that the Waiver does not contravene any laws and regulations governing the Company and its constitution, and a confirmation has been submitted to the SGX-ST.

By order of the Board

Nico Purnomo Po
Executive Director and Chief Executive Officer
20 November 2024

This announcement has been prepared by Pollux Properties Ltd. (the "Company") and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist.

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.

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer at 7 Temasek Boulevard #04-02 Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.

² Computed based on the book value of the 0504 Property as at 30 June 2024 of S\$3,380,000 and sale consideration of S\$3,280,000.

³ Computed based on the book value of the 0604 Property as at 30 June 2024 of S\$3,480,000 and sale consideration of S\$3,300,000.