

POLLUX PROPERTIES LTD.

(Incorporated in Republic of Singapore)

(Company Registration Number: 199904729G)

PROPOSED ACQUISITION OF THE REMAINING 49.99% ISSUED AND PAID-UP SHARE CAPITAL IN STIRLING FORT CAPITAL PTE. LTD.

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**” or the “**Directors**”) of Pollux Properties Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 7 October 2020 (the “**Execution Date**”) entered into a share transfer agreement (the “**Agreement**”) with Mr. Chan Kah Wai, Elwyn, Mr. Chia Yew Nguan (the “**Vendors**”) and Stirling Fort Capital Pte. Ltd. (the “**SFCPL**”) to acquire 285,000 ordinary shares and 15,000 ordinary shares in SFCPL from Mr. Chan Kah Wai, Elwyn and Mr. Chia Yew Nguan respectively (the “**Sale Shares**”), representing an aggregate of 49.99% of the issued share capital of SFCPL, at a total consideration of S\$300,000.00 (the “**Proposed Acquisition**”).

SFCPL will be a wholly-owned subsidiary of the Group following the completion of the Proposed Acquisition.

The Vendors are not related to any of the Directors or substantial shareholders of the Company.

2. THE PROPOSED ACQUISITION

2.1 Information on SFCPL

SFCPL was incorporated in Singapore on 13 April 2014 and its principal activities are to carry out the business of fund management and providing investment advisory services. SFCPL is a registered fund management company approved by the Monetary Authority of Singapore since 24 June 2015. It is subject to the Securities and Future Act (Chapter 289) and the related regulations.

As at the date of this announcement, the Company holds 50.01% of the total issued and paid up share capital in the SFCPL which has been an associate of the Company since 7 September 2015.

Based on the audited financial statements for the financial year ended 31 March 2020, the net asset value of SFCPL was S\$829,287. No independent valuation was conducted on SFCPL for the purposes of the Proposed Acquisition.

2.2 Rationale for the Proposed Acquisition

The Vendors, Mr. Elwyn Chan Kah Wai and Mr. Chia Yew Nguan, intend to divest their interest in the business to focus on their other business pursuits. Whilst the Company decided to acquire the Sale Shares after taking into consideration the potential synergies of full integration of SFCPL with the Group's business operations and the Group's management team. Furthermore, the Company has the intention to take over control of the decision-making process and the daily operations of SFCPL, thereby optimizing the operational efficiencies of the Group.

3. **SALIENT TERMS OF THE PROPOSED ACQUISITION**

3.1 Consideration

Pursuant to the Agreement, the Vendors have agreed to sell, and the Company has agreed to purchase the remaining 300,000 shares representing 49.99% of the total issued and paid up share capital in the SFCPL for a purchase consideration of S\$300,000 (the "Consideration"). The Consideration was arrived at on a willing buyer-willing seller basis, taking into account the net book value of SFCPL as at date of the Agreement.

3.2 Special conditions

Pursuant to the Agreement, the Vendors agree to the following non-exhaustive conditions which shall be regarded as fundamental terms:

- (a) Save as otherwise abridged or terminated by the Company, the Vendors shall continue to be in the Company's employment for a period of six (6) months from the date of the Agreement (provided always that both parties by mutual consent may opt for early termination) and at the option or election of the Company, continue to be employed for a further period of six (6) months after the expiry of the 1st six (6) months period;
- (b) For the avoidance of doubt, the Vendors shall continue in the Company's employment from 01.09.2020 without any remuneration or salary whatsoever and shall continue to be in the Company's employment in accordance with this Agreement;
- (c) The Vendors shall ensure that the Registered Fund Management Company ("RFMC") licence granted by MAS continues to be valid and effective at the time of the completion of the Agreement; and
- (d) The Vendors shall undertake and ensure that all compliance measures have been taken and implemented in order to ensure that the RFMC licence is properly transferred or assigned to the Company's new management and these shall include the handover of SOPs, Anti-Money Laundering protocols, proper Know-Your-Client and due diligence protocols, documents and materials.

3.3 Source of funding

The Proposed Acquisition is expected to be funded by the Group's internal resources which are mainly derived from operational cash flows.

4. RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE LISTING MANUAL SECTION B: RULES OF CATALIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) (“CATALIST RULES”)

Based on the latest announced audited consolidated financial statements of the Group and SFCPL for the financial period ended 31 March 2020, the relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules are set out below:

Rule 1006 of the Catalist Rules	Bases	Relative Figures for the Proposed Acquisition
(a)	Net asset value of assets to be disposed of compared to the Group’s net asset value	Not Applicable
(b)	Net losses attributable to the assets to be acquired, compared with the Group’s net profit	-1.9% ⁽¹⁾
(c)	Aggregate value of the consideration, compared with the Company’s market capitalisation	0.5% ⁽²⁾
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not Applicable ⁽³⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves	Not Applicable ⁽⁴⁾

Notes:

- (1) The Group’s profit before tax for the financial period ended 31 March 2020 was approximately S\$2,797,670. The loss after tax attributable to the Sale Shares for the financial period ended 31 March 2020 was approximately S\$51,797.
- (2) The Company’s market capitalisation of approximately S\$57.949 million was computed based on the Company’s existing issued and paid-up share capital of 2,759,468,325 shares and the volume-weighted average price of S\$0.021 per share on 6 October 2020, being the last trading day preceding the date of the Agreement.
- (3) This is not applicable as the Proposed Acquisition does not involve issuance of consideration shares.
- (4) This is not applicable as the Company is not a mineral, oil and gas company.

Having regard to the above, as the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules does not exceed 5.0% and the transaction falls under the situation stated in paragraph 4.3(a) of Practice Note 10A of the Catalist Rules, the Proposed Acquisition constitutes a “non-discloseable transaction” under Chapter 10 of the Catalist Rules.

5. FINANCIAL IMPACT ON THE COMPANY

The Proposed Acquisition is not expected to have a material impact on the Company’s net asset value per share or earnings per share for the financial year ending 31 March 2021.

6. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Acquisition, save for their shareholdings in the Company (if any).

7. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company. In particular, shareholders and potential investors should note that completion of the Proposed Acquisition is subject to fulfilment of various conditions as set out in the Agreement. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisors.

By order of the Board

Nico Purnomo Po
Chief Executive Officer

9 October 2020

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("Sponsor").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("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 details of the contact person for the Sponsor is Ms. Tay Sim Yee, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210