



## **POLLUX PROPERTIES LTD.**

(Company Registration Number: 199904729G)

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### **INTERESTED PERSON TRANSACTION**

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#### **Introduction**

The board of directors (the “**Board**” or “**Directors**”) of Pollux Properties Ltd. (the “**Company**”, together with its subsidiaries the “**Group**”) wishes to announce the following in relation to an interested person transaction with Ariva Hospitality Premier Pte. Ltd. (“**Ariva Premier**”), an interested person defined under Chapter 9 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Catalist Rules**”).

#### **Details of Interested Persons**

Ariva Premier is a joint venture company between Ariva Hospitality Pte. Ltd. (“**Ariva**”) and Pollux Hospitality Pte. Ltd. (“**Pollux Hospitality**”), holding 45% and 55% of the issued share capital of Ariva Premier respectively. Pollux Hospitality is wholly-owned by Nico Purnomo Po (“**Nico Po**”), a Director and controlling shareholder of the Company. Nico Po is also a Director of Ariva Premier.

Ariva Premier is therefore considered as an associate of Nico Po pursuant to the Catalist Rules. Each of Nico Po and Ariva Premier is an interested person under Chapter 9 of the Catalist Rules.

#### **The Technical Services & Hospitality Management Agreement as an Interested Person Transaction**

Peninsula Park Residences Pte. Ltd. (“**PPR**”), a wholly-owned subsidiary of the Company, entered into a Technical Services & Hospitality Management Agreement (the “**Agreement**”) with Ariva on 14 November 2013.

Pursuant to the Agreement, PPR has engaged Ariva as the sole and exclusive manager of the Property to operate, manage, promote, market and maintain the Group’s serviced apartments, namely Louis Kienne Serviced Residences, located at 554 Havelock Road (the “**Property**”) for and on behalf of PPR. The Agreement also sets out the terms and conditions of the appointment of Ariva for the provision of technical advisory services to PPR.

On 8 July 2015, the Agreement was assigned by Ariva to Ariva Premier (“**Assignment**”) following which the hospitality management services and technical advisory services to be provided by Ariva under the Agreement shall be provided by Ariva Premier to PPR.

Pursuant to the Assignment, the Agreement constitutes an interested person transaction (the “**Interested Person Transaction**”) under Chapter 9 of Catalist Rules.

## **Details on and estimated value of the Agreement**

The Agreement is for an initial period of five (5) years commencing on 1 December 2014 (the “**Initial Term**”). Under the terms of the Agreement, Ariva may extend the Agreement for a further period of five (5) years on the same terms and conditions as contained therein (save for the management fees payable to Ariva for the hospitality management services for each fiscal year (“**Hospitality Management Fees**”) which may be subject to review) by giving written notice to PPR for such intention no later than three (3) months prior to the expiration of the Initial Term.

The Hospitality Management Fees are computed based on a certain agreed percentage of the revenue and gross operating profit of the Property. The advisory fees payable to Ariva for the technical advisory services (“**Technical Advisory Fees**”) is a fixed fee for the Initial Term. The estimated aggregate amount of (i) the Hospitality Management Fees for the remaining period of the Initial Term of the Agreement (the “**Relevant Period**”), computed based on PPR’s 5-year projection of its revenue and gross operating profit of the Property; and (ii) the Technical Advisory Fees, collectively, the “**Management Fees**” is approximately S\$1,266,000, equivalent to 2.59% of the Group’s latest audited net tangible assets (“**NTA**”) of approximately S\$48,830,000 as at 31 March 2015.

In view that the value of the Interested Person Transaction (being the Management Fee) is less than 3% of the Group’s latest audited NTA as at 31 March 2015, according to Rule 905 of the Catalist Rules, an announcement on the Interested Person Transaction is not required. However, the Company wishes to announce the Interested Person Transaction in view that the Hospitality Management Fees payable is not fixed and the current computed percentage of 2.59% is not meaningful to be relied upon for purpose of Rule 905 of the Catalist Rules.

The actual value of the Interested Person Transaction may be higher or lower depending on the actual amount of total revenue and/or gross operating profits of the Property in the Relevant Period. In the event that the actual value of the Interested Person Transaction exceeds 3% or 5% of the Group’s NTA, the Company will, respectively, make such further announcement pursuant to Rule 905 of the Catalist Rules or seek shareholders’ approval for the Interested Person Transaction pursuant to Rule 906 of the Catalist Rules.

## **Rationale for and benefit of the Interested Person Transaction**

The Directors (excluding Nico Po who is an interested person and had abstained from participating in the deliberations and making recommendations thereof) consider the Management Fees to be fair, reasonable, on normal commercial terms and to the benefit of the Company and its shareholders (including the minority shareholders).

## **Current total value of Interested Person Transactions for the financial year ending 31 March 2016**

As at the date of this announcement, no interested person transaction has been entered into by the Company with Ariva Premier and Nico Po, and the value of all interested person transactions entered into by the Company is approximately S\$26,730.

## **Statement of the Audit Committee**

The Audit Committee of the Company has reviewed the Agreement and is of the view that the Interested Person Transaction is on normal commercial terms and is not prejudicial to the interest of the Company and its minority shareholders.

## Interest of Directors and Substantial Shareholders

Save for their respective interests in the issued shares in the capital of the Company, none of the Directors or substantial shareholders of the Company (except for Nico Po) has any interest, direct or indirect, in the Interested Person Transaction.

By order of the Board

James Kho  
Director  
8 July 2015

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Canaccord Genuity Singapore Pte. Ltd. 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 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.*

*The contact person for the Sponsor is Ms. Goh Mei Xian, Deputy Head of Continuing Sponsorship, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.*