



POLLUX PROPERTIES LTD.

(Company Registration Number: 199904729G)

SUBSCRIPTION AGREEMENT RELATING TO STIRLING FORT ASIA PTE. LTD.

1. Introduction

The board of directors (the “**Board**” or “**Directors**”) of Pollux Properties Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had, on 11 August 2015, entered into a subscription agreement (the “**Subscription Agreement**”) with Stirling Fort Asia Pte. Ltd. (“**Stirling Fort Asia**”) in relation to the subscription by the Company of 300,100 new ordinary shares in the capital of Stirling Fort Asia (the “**Subscription Shares**”) (the “**Proposed Subscription**”).

2. Information on Stirling Fort Asia

Stirling Fort Asia is a fund management company registered with the Monetary Authority of Singapore (the “**MAS**”). It manages funds for no more than 30 qualified investors and has aggregate assets under management not exceeding S\$250,000,000.

Currently, Stirling Fort Asia has an issued and paid-up share capital of S\$300,000 comprising 300,000 ordinary shares. The current shareholders of Stirling Fort Asia are Chan Kah Wai Elwyn (“**Elwyn Chan**”) (95%) and Chia Yew Nguan (5%) (collectively, the “**Existing Shareholders**”). Mr Elwyn Chan is the founder and chief executive officer of Stirling Fort Asia.

Each of the Existing Shareholders is not related to any of the Directors or controlling shareholders of the Company, and their respective associates.

3. Details and terms of the Subscription Agreement

- (i) Pursuant to the Subscription Agreement, the aggregate consideration for the Proposed Subscription is S\$1,000,000 (the “**Consideration**”), to be paid in the following manner:-
 - (a) the Company shall subscribe for, and Stirling Fort Asia shall allot and issue to the Company, the Subscription Shares at a consideration of S\$550,000.00 (the “**Cash Consideration**”), payable fully in cash, which will be funded by the Group’s internal resources; and

- (b) the Company shall allot and issue 4,500,000 new ordinary shares (“**Goodwill Shares**”) at an issue price of S\$0.10 per share to Intra-city Development Limited (a nominee company wholly-owned by Elwyn Chan) in consideration for Elwyn Chan waiving any rights of first refusal or anti-dilution rights he has or may have with respect of the allotment and issuance of the Subscription Shares by Stirling Fort Asia, and procuring that Stirling Fort Asia allots and issues the Subscription Shares to the Company.
- (ii) The Consideration was arrived at after negotiations on a willing-buyer, willing-seller basis after taking into account, *inter alia*, the market value of Stirling Fort Asia, growth prospects of Stirling Fort Asia and the strategic merits of the Proposed Subscription.
- (iii) No independent valuation was conducted on Stirling Fort Asia.
- (iv) The Goodwill Shares will represent approximately 0.72% of the enlarged issued share capital of the Company upon completion of the Proposed Subscription.
- (v) The issue price of S\$0.10 per Goodwill Share represents a premium of 47% to the volume weighted average price of S\$0.068 per share in the capital of the Company (“**Shares**”) for trades on Catalist board (“**Catalist**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 6 August 2015, being the full market day immediately preceding the date of the Subscription Agreement.
- (vi) The Goodwill Shares will be issued pursuant to the general share issue mandate granted by shareholders of the Company (“**Shareholders**”) by way of ordinary resolution at the annual general meeting of the Company held on 23 July 2015 (“**Share Issue Mandate**”) for the issue of new Shares and/or convertible securities not exceeding 100% of the total number of issued Shares of the Company (excluding treasury Shares), of which the aggregate number of new Shares to be issued other than on a *pro rata* basis to all existing Shareholders shall not exceed 50% of the total number of issued Shares of the Company (excluding treasury Shares) at the date of the Share Issue Mandate.

As at the date of this announcement, the Company has not issued any Shares pursuant to the Share Issue Mandate. The Goodwill Shares represent approximately 0.72% of the Company’s total number of issued Shares of 622,615,384 at the time the approval for the Share Issue Mandate was granted. Accordingly, the proposed allotment and issuance of the Goodwill Shares falls within the limit of the Share Issue Mandate.

- (vii) The Goodwill Shares, when allotted and issued, will be credited as fully paid for, free and clear of all encumbrances and will rank *pari passu* with all existing Shares in the capital of the Company.
- (viii) The Company will be making an application to the SGX-ST via the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd. (“**Sponsor**”), for the listing of and quotation for the Goodwill Shares on Catalist.

4. Conditions Precedent

Completion (“**Completion**”) of the Proposed Subscription shall be conditional upon the fulfilment of the following:

- (i) the approval of the board of directors of the Company and Stirling Fort Asia for the transactions contemplated in the Subscription Agreement;
- (ii) the approval of Stirling Fort Asia under Section 161 of the Companies Act, Chapter 50 of Singapore, to allot and issue the Subscription Shares;
- (iii) the satisfactory completion of all regulatory requirements, including the receipt of all necessary approvals from the relevant authorities and compliance with all applicable laws, regulations, rules, practice notes and guidance notes of the MAS and the SGX-ST;
- (iv) the receipt of the listing and quotation notice from the SGX-ST for the listing of and quotation for the Goodwill Shares on Catalist; and
- (v) each of the Existing Shareholders having waived any and all rights of pre-emption or rights of first refusal or anti-dilution rights which each of the Existing Shareholders has (or may have) with respect to the issue of the Subscription Shares.

5. Completion

Completion shall take place on the date falling seven (7) days after the last condition precedent as set out in paragraph (vi) above is satisfied or waived or at such other time as the Company and Stirling Fort Asia may agree.

Upon the Completion, the respective shareholdings of the shareholders of Stirling Fort Asia shall be as follows:

Shareholders	Shareholding interests
Elwyn Chan	47.49%
Chia Yew Nguan	2.50%
Pollux Properties Ltd.	50.01%
Total	100.00%

6. Rationale and Benefit

The strategic partnership between the Company and Stirling Fort Asia marks the start of a long-term alliance as well as to enhance Shareholders’ value in the long-term via recurring revenue stream from management fees and performance fees of the investment fund products under Stirling Fort Asia.

7. Financial Effects

The financial effects of the Proposed Subscription presented below, based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2015 (“**FY2015**”) and the unaudited financial statements of Stirling Fort

Asia for FY2015 are purely for illustration purposes only and are not intended to reflect the actual future financial situation of the Group after the Completion.

Earnings per Share (“EPS”)

For illustrative purposes only, the financial effect of the Proposed Subscription on the EPS of the Group for FY2015, assuming that the Proposed Subscription was completed on 1 April 2014, is as follows:

	Before Completion	After Completion	Changes in %
Profit attributable to Shareholders	2,117,968	2,094,110	(1.13%)
Weighted average number of Shares	622,615,384	627,115,384	0.72%
EPS (cents)	0.340	0.334	(1.76%)

Gearing

For illustrative purposes only, the financial effect of the Proposed Subscription on the gearing of the Group as at 31 March 2015, assuming that the Proposed Acquisition was completed on 31 March 2015, is as follows:

	Before Completion	After Completion	Changes in %
Total borrowings	73,689,352	73,689,352	-
Equity attributable to Shareholders	48,830,349	48,806,491	(0.05%)
Capital and net debts	122,519,701	122,495,843	(0.02%)
Gearing (times)	0.60	0.60	-

Net Tangible Assets (“NTA”)

For illustrative purposes only, the financial effect of the Proposed Subscription on the NTA per Share of the Group as at 31 March 2015, assuming that the Proposed Acquisition was completed on 31 March 2015, is as follows:

	Before Completion	After Completion	Changes in %
NTA	48,830,349	48,806,491	(0.05%)
Number of Shares	622,615,384	627,115,384	0.72%
NTA per Share (cents)	7.84	7.78	(0.77%)

Share Capital

	Before Completion	After Completion	Changes in %
Share Capital (S\$)	54,508,876	54,958,876	0.83%

The Proposed Subscription will have additional 4,500,000 new Shares issued at S\$0.10 each.

8. Relative figures under Rule 1006 of the Catalist Rules

The relative figures for the Proposed Subscription computed on the bases set out in Rule 1006(a) to (e) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the “**Catalist Rules**”) are as follows:

<u>Rule 1006(a):</u> Net asset value of assets to be disposed of, compared with the Group’s net asset value	Not applicable
<u>Rule 1006(b):</u> Net profit attributable to the assets acquired, compared with the Group’s net profits	(1.13%)
<u>Rule 1006(c):</u> Aggregate value of the Consideration compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares	1.83%
<u>Rule 1006(d):</u> Number of equity securities issued by the Company pursuant to the Subscription Agreement, compared with the number of equity securities previously in issue	0.72%
<u>Rule 1006(e):</u> 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

Notes:

- (1) Based on the audited consolidated financial statements of the Group for FY2015, the net profit before tax of the Group was approximately S\$2.20 million, and based on the unaudited financial statements of Stirling Fort Asia for FY2015 the net loss before tax of Stirling Fort Asia was approximately S\$0.05 million.
- (2) Based on the Consideration of S\$1.0 million and the Company’s market capitalisation of S\$42.34 million (being the Company’s issued share capital (excluding treasury shares) of 622,615,384 Shares as at the date of this announcement and the volume weighted average price of S\$0.068 per Share for trades on Catalist on 6 August

2015, being the full market day immediately preceding the date of the Subscription Agreement).

- (3) Based on 4,500,000 Goodwill Shares at the issue price of S\$0.10 each to be issued, and the Company's issued share capital (excluding treasury shares) of 622,615,384 Shares as at the date of this announcement.

In accordance with Rule 1007(1) of the Catalist Rules, as the relative figure computed under Rule 1006(b) of the Catalist Rules is a negative figure, the Sponsor, on behalf of the Company, had consulted the SGX-ST and obtained confirmation from the SGX-ST that the Proposed Subscription constitutes a "non-discloseable transaction" under Chapter 10 of the Catalist Rules and shareholders' approval is not required for the Proposed Subscription.

9. Interests of Directors and Controlling Shareholders

Save for their respective shareholdings in the Company (if any), none of the Directors or the controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Subscription.

10. Service Contracts

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

11. Documents for Inspection

A copy of the Subscription Agreement is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 391A Orchard Road #08-07 Ngee Ann City Tower A Singapore 238873 for a period of three (3) months from the date of this announcement.

12. Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Subscription, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

13. Further Announcements

The Company will make further announcements on the Proposed Subscription as appropriate or when there are further developments on the same.

By order of the Board

Nico Purnomo Po
Chief Executive Officer
11 August 2015

*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.