

POLLUX PROPERTIES LTD.

(Incorporated in Republic of Singapore)

(Company Registration Number: 199904729G)

RESPONSES TO SGX-ST QUERIES RECEIVED ON 12 SEPTEMBER 2022

The Board of Directors (the “**Board**” or the “**Directors**”) of Pollux Properties Ltd. (the “**Company**” and, together with its subsidiaries, the “**Group**”) refers to its announcement on 11 September 2022 in relation to incorporation of subsidiaries and acquisition of 3 hotel properties in Bekasi, Indonesia (“**Announcement**”).

Unless otherwise defined herein, all capitalised terms and references used herein shall bear the same meaning ascribed to them in the Announcement.

The Company has on 12 September 2022 received the following queries from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), and the responses are set out below.

The Board further wishes to clarify that the acquisition of the Hotels are the Group’s first properties in Indonesia, in line with the Group’s strategy to expand into foreign markets.

SGX-ST Query 1: Considering that the Hotels are not generating any income, please clarify the Board’s consideration and assessment in determining the income generation ability of the Hotels.

Company’s response:

While the Hotels have not yet commenced operations, the Board has considered the income generation ability and cash flow projections of the Hotels, in particular, after considering that the Hotels are located in a good location. The Hotels are located in Cikarang, Bekasi, which is a growing and buzzing city, approximately 90 minutes away from Jakarta. The Company believes that Cikarang, Bekasi, has bright prospects as it is a location where both local and global brands are looking to operate, or have already commenced operations, in industries such as data centres, high end car battery manufacturing plants and automotive industries, all of which are fuelling the growth in the area.

The Board also considered the neighbouring hotels and service apartments within a 5-kilometre radius which are doing well with high occupancy rates and average room rates. Further, as the Hotels are already constructed, the lead time to the opening of the business – and therefore the commencement of their respective income generation ability, of each of the Hotels, is currently expected to be reasonably imminent, by the first quarter of 2023.

The Board has held discussions with the Company’s management team in relation to the valuation of Rp. 216.9 billion (approximately S\$20.4 million), and had also assessed the qualifications of the Valuer. Based on the valuation, per room key basis is at approximately Rp 673,522,000 (approximately S\$63,000.00). Taking into consideration the above assessment, the Board is of the view that the valuation is reasonable.

SGX-ST Query 2: What information did the Valuer use for the income valuation approach?

Company’s response:

The information that the Valuer used for the income valuation approach is historical and current market data of room rates and occupancy rates from comparable neighbouring properties such as Harper Hotel by Aston, Primebiz Hotel, Ayola Lippo Hotel, Santika Hotel, Sancrest Service Apartment and Sakura Park Hotel and Residences.

POLLUX PROPERTIES LTD.

Announcement

- Responses to SGX-ST Queries Received on 12 September 2022

Page 2

SGX-ST Query 3: Please provide the experience and track record of the Valuer.

Company's response:

KJPP Susan Widjojo and Rekan (the "**Valuer**") serves as a new form of public appraisal and consultancy firm substituting VPC Indonesia (PT VPC Hagai Sejahtera). VPC Indonesia was established in Jakarta in 1992 and is a member of VPC Asia Pacific Ltd with more than 40 offices operated within Asia Pacific, including two in Indonesia, Jakarta and Surabaya. The Valuer has a team of senior consulting professionals, all of whom understand both the fundamentals and the intricacies of doing business in Indonesia's real estate industry and developing services of international standards. The Valuer has 14 years of experience in valuation of properties in Indonesia. The Valuer has been approved as one of the qualified appraisers by the Capital Market Supervisory Board (Bapepam/OJK, the Indonesian Financial Services Authority) and is recognised by many foreign and local banks and other financial institutions as a well-qualified valuer firm. It has successfully completed assignments for several companies and banks. The Valuer's clients include many leading banks and financial institutions such as Bank Mandiri, Bank Negara Indonesia and Bank Rakyat Indonesia. Based on information provided to the Company, the Company understands that the Valuer's database system has also been utilised by some foreign banks such as the Property Benchmark Pricing for Jabotabek area (which covers the land value movement in Jakarta, Bogor, Tangerang and Bekasi in Indonesia).

The Board has considered the qualification, experience and track record of the Valuer, and as no doubt is raised as a result, the Board is comfortable with the suitability of the Valuer in valuing the acquired Hotels.

SGX-ST Query 4: What did the Sponsor consider in assessing the suitability of the Valuer?

Sponsor's response:

Novus Corporate Finance Pte. Ltd. (the "**Sponsor**") understands that the Valuer was appointed by the seller, and the Sponsor was not granted access to the Valuer to carry out an assessment.

On this basis, the Company had confirmed to the Sponsor that the Valuer met the requirements of the Catalist Rules in relation to a property valuer for valuations conducted for real properties located outside of Singapore. Accordingly, the Sponsor understands from the Company that, *inter alia*, the Valuer has a licence issued by a relevant authority to perform property valuations in Indonesia, has at least five years of relevant experience, is independent of the Company, is not a sole practitioner and has not been in breach of any rule or law relevant to property valuation.

As the Valuer was not engaged by the Company, and there is no requirement for the Company to do so in respect of a disclosable transaction under Chapter 10, the Sponsor did not carry out an assessment on a valuer engaged by the issuer.

POLLUX PROPERTIES LTD.

Announcement

- Responses to SGX-ST Queries Received on 12 September 2022

Page 3

SGX-ST Query 5: The title tenure for each of the 3 Hotels is 30 years, extendable upon expiry at the Company's option. When did the title for each Hotel commence? How many years left for the title tenure? Are there any conditions to be fulfilled for the Company to extend the title tenure?

Company's response:

The title tenure is 30 years and can be extended for another 20 years.

The tenure commenced on 8 December 2012 for each of the 3 Hotels and expires on 7 December 2042. Upon expiry, it can be extended for another 20 years at the Company's option. As at the date of the Announcement of acquisition, there is approximately 20 years remaining on the title tenure.

The Company has been advised by its Indonesian advisers that following the expiry of the additional 20 years extension in 2062, an application can be made to the Indonesia Land Office for renewal at a nominal fee. As of the date of this Announcement, the Company is not aware of any conditions which will need to be fulfilled for the extension of the tenure.

By Order of the Board

Jacob Lee
Chief Executive Officer and Executive Director

15 September 2022

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

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 #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.