POLLUX PROPERTIES LTD.
(Company Registration No. 199904729G)

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

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. Tay Sim Yee, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210.

UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 JUNE 2019

The Board of Directors (the "**Board**") of Pollux Properties Ltd (the "**Company**") refers to its announcement dated 8 October 2019 ("**Announcement**") that the Company will release the Group's unaudited financial results for the first quarter ended 30 June 2019 on or before 29 October 2019.

As mentioned in the Announcement, the Company's market capitalisation as at 31 December 2017 had crossed the S$75 million threshold and is required to announce its unaudited financial results on a quarterly basis, pursuant to Rule 705(2)(c) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited) ("**Catalist Rules**"). This is the Company's maiden quarterly unaudited financial results for the first quarter ending 30 June 2019.

The current financial period covers 3 months from 1 April 2019 to 30 June 2019 ("current financial period" or "1Q2020") for the financial year ending 31 March 2020 ("FY2020") and the comparative financial period covers 3 months from 1 April 2018 to 30 June 2018 ("previous financial period" or "1Q2019") for the financial year ended 31 March 2019 ("FY2019").

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PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (1Q, 2Q & 3Q), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement

	GROUP			
	1Q2020	1Q2019	Change	
	S$'000	S$'000	S$'000	%
Revenue	3,384	2,796	588	21.0
Cost of Sales	(613)	(553)	60	10.8
Gross profit	2,771	2,243		
Interest income	1	3	(2)	(66.7)
Other income	1	830	(829)	(99.9)
Marketing and distribution expenses	(10)	-	10	n.m
General and administrative expenses	(948)	(1,118)	(170)	(15.2)
Profit from operations	**1,815**	**1,958**		
Finance expenses	(1,142)	(996)	146	14.7
Share of results of associate	(1)	(16)	15	93.8
Share of results of joint venture	(1,203)	(101)	(1,102)	n.m
(Loss)/Profit before tax	**(531)**	**845**		
Income tax credit	-	2	(2)	n.m
(Loss)/Profit for the period	**(531)**	**847**		
Profit attributable to:				
Owners of the Company	**(531)**	**847**		

n.m denotes not meaningful

Consolidated Statement of Comprehensive Income

	GROUP			
	1Q2020	1Q2019	Change	
	S$'000	S$'000	S$'000	%
(Loss)/Profit for the period	**(531)**	**847**	(1,378)	n.m
Other comprehensive income for the financial period, net of tax	-	-	-	-
Total comprehensive income for the financial period	**(531)**	**847**	(1,378)	n.m
Total comprehensive income attributable to:				
Owners of the Company	**(531)**	**847**	(1,378)	n.m

n.m denotes not meaningful

1(a)(ii) Notes to combined statements of profit or loss and other comprehensive income.

	GROUP			
	1Q2020	1Q2019	Change	
	S$'000	S$'000	S$'000	%
Depreciation of plant and equipment	139	146	(7)	(4.8)
Interest expense	1,142	992	150	15.1
Income from performance bond	-	823	(823)	n.m

n.m denotes not meaningful

POLLUX PROPERTIES LTD.
(Company Registration No. 199904729G)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Statements of Financial Position

	GROUP		COMPANY	
	30 June 2019	31 March 2019	30 June 2019	31 March 2019
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Plant and equipment	290	415	-	3
Investment properties	340,170	340,170	-	-
Investment in subsidiaries	-	-	141,232	141,232
Investment in a joint venture	1,783	2,986	*	*
Investment in an associate	904	905	847	847
Investment in unquoted securities	2,617	2,617	2,617	2,617
	345,764	347,093	144,696	144,699
Current assets				
Contract assets	4,476	4,476	-	-
Trade receivables	36	71	-	-
Other receivables and deposits	129	116	33	36
Prepaid operating expenses	29	36	-	-
Due from subsidiaries	-	-	32,962	31,853
Due from related companies	21,023	21,023	17,952	17,952
Investment in securities	293	293	-	-
Cash and cash equivalents	7,763	9,081	64	94
	33,749	35,096	51,011	49,935
Total assets	**379,513**	**382,189**	**195,707**	**194,634**
Equity attributable to owners of the Company				
Share capital	140,100	140,100	140,100	140,100
Revenue reserve	52,539	53,070	(26,555)	(26,252)
Total equity	**192,639**	**193,170**	**113,545**	**113,848**
Non-current liabilities				
Loan and borrowings	143,313	143,681	-	-
Loan from joint venture	14,491	14,491	14,491	14,491
Deferred tax liabilities	113	113	-	-
	157,917	158,285	14,491	14,491
Current liabilities				
Trade payables	2,602	2,823	-	-
Contract liabilities	591	728	-	-
Other payables and accruals	4,045	4,242	524	528
Provision for taxation	758	758	-	-
Loans and borrowings	20,950	22,172	-	-
Due to related parties	11	11	-	-
Due to subsidiaries	-	-	67,147	65,767
	28,957	30,734	67,671	66,295
Total liabilities	**186,874**	**189,019**	**82,162**	**80,786**
Total equity and liabilities	**379,513**	**382,189**	**195,707**	**194,634**

* Amount less than S$1,000.00

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand:

Group			
As at 30 June 2019		As at 31 March 2019	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
20,950	-	22,172	-

Amount repayable after one year:

Group			
As at 30 June 2019		As at 31 March 2019	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
143,313	14,491	143,681	14,491

Details of collaterals:

The above secured borrowings are from financial institutions and are secured by the following:

1. First legal mortgage over the related investment properties;
2. Corporate guarantee by the Company; and
3. Legal assignment over all rights, title, and interests in the related tenancy agreements, current and future rental income relating to the specified property pledged in respect of investment properties.

Pursuant to the circular dated 20 September 2017 for the acquisition of Pollux Alpha Investment Ltd together with its subsidiaries ("**PAI Group**"), PAI Group has an outstanding balance of S$149.65 million in short term loans as at 31 March 2017. Prior to the completion of the acquisition, a sum amounting to S$111.00 million was refinanced with a 6 years tenure term loan. Subsequently, on 26 April 2018, the Group refinanced the remaining short-term loan amounting to S$38.30 million with a 20 years tenure term loan.

	GROUP	
	30 June 2019	31 March 2019
	S$'000	S$'000
Cash at bank and cash on hand	2,347	3,532
Cash in pledge deposit	5,030	5,030
Cash in project accounts	386	519
	7,763	**9,081**

The use of the cash in project accounts is restricted to payments for development expenditure incurred for development properties. As of 30 June 2019, the Group has 1 property development which is in the progress of obtaining the Certificate of Statutory Completion (CSC).

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statements of Cash Flows

	GROUP	
	First Quarter Ended	
	30 June 2019	30 June 2018
	S$'000	S$'000
Cash flows from operating activities		
(Loss)/Profit before tax	(531)	845
Adjustments for:		
Depreciation of plant and equipment	139	146
Interest income	(1)	(3)
Interest expense	1,142	996
Share of results of a joint venture	1,203	101
Share of results of an associate	1	16
Operating cash flows before changes in working capital	1,953	2,101
Changes in working capital:		
Trade receivebles and contract assets	35	67
Other receivables, deposits and prepayments	(6)	(31)
Trade payables	(221)	(1,687)
Contract liabilities	(137)	(2)
Other payables and accruals	(197)	407
Cash flows from operations	1,427	855
Interest received	1	3
Interest paid	(1,142)	(996)
Income taxes refunded	-	1
Net cash flows from/(used in) operating activities	286	(137)
Cash flows from investing activities		
Purchase of plant and equipment	(14)	(330)
Net cash flows used in investing activities	(14)	(330)
Cash flows from financing activities		
Repayment of loans and borrowings	(1,590)	(1,334)
Net cash flows used in financing activities	(1,590)	(1,334)
Net decrease in cash and cash equivalents	(1,318)	(1,801)
Cash and cash equivalents at beginning of financial period	9,081	19,166
Cash and cash equivalents at end of financial period	7,763	17,365

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statements of Changes in Equity

	Attributable to owners of the Company		
	Share Capital	Revenue reserve	Total Equity
Group	**S$'000**	**S$'000**	**S$'000**
At 1 April 2018	140,100	48,239	188,339
Profit net of tax, representing total comprehensive income for the financial period	-	847	847
At 30 June 2018	140,100	49,086	189,186
At 1 April 2019	140,100	53,070	193,170
Loss net of tax, representing total comprehensive income for the financial period	-	(531)	(531)
At 30 June 2019	140,100	52,539	192,639
Company			
At 1 April 2018	140,100	(11,343)	128,757
Loss net of tax, representing total comprehensive income for the financial period	-	(464)	(464)
At 30 June 2018	140,100	(11,807)	128,293
At 1 April 2019	140,100	(26,252)	113,848
Loss net of tax, representing total comprehensive income for the financial period	-	(303)	(303)
At 30 June 2019	140,100	(26,555)	113,545

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares and subsidiary holdings, of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Issued and paid-up ordinary shares	**Number of shares**	**Issued and paid-up share capital (S$000)**
Balance as at 30 June 2019 and 31 March 2019	**2,759,468,325**	**140,100**

There was no change in the Company's issue and paid-up share capital from 1 April 2019 to 30 June 2019.

There were no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 30 June 2019 and 30 June 2018.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Company	
	30 June 2019	**31 March 2019**
Total number of issued shares excluding treasury shares	**2,759,468,325**	**2,759,468,325**

There were no treasury shares as at 30 June 2019 and 31 March 2019.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable as the Company does not have any treasury shares.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as the Company does not have any subsidiary holdings.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditor.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in paragraph 5, the financial information has been prepared in accordance with the same accounting policies and methods of computation adopted in the most recent audited annual financial statement for FY2019.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

The Group has prepared the Group's financial statements for 1Q2020 in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") and has adopted the following new SFRS(I)s, amendments and interpretations of SFRS(I)s which are mandatory for accounting periods beginning on or after 1 April 2019:

- *SFRS(I) 16 Leases*
- *SFRS(I) INT 23 Uncertainty over Income Tax Treatments*
- *Amendments to SFRS(I) 9 Prepayment Features with Negative Compensation*
- *Amendments to SFRS(I) 1-28 Long-Term Interests in Associates and Joint Ventures*
- *Amendments to SFRS(I) 3 Business Combinations*
- *Amendments to SFRS(I) 11 Joint Arrangements*
- *Amendments to SFRS(I) 1-12 Income Tax*
- *Amendments to SFRS(I) 1-23 Borrowing Costs*
- *Amendments to SFRS(I) 1-19 Plan Amendment, Curtailment or Settlement*

The adoption of these SFRS(I)s, amendments and interpretations of SFRS(I)s did not have any significant impact on the financial statements of the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP	
	First Quarter ended	
	30 June 2019	30 June 2018
(Loss)/Profit attributable to owners of the Company (S$'000)	(531)	847
Weighted average number of ordinary shares in issue ('000)	2,759,468	2,759,468
Earning per ordinary share:		
(i) Based on weighted average number of ordinary shares in issue (Singapore cents)	(0.02)	0.03
(ii) On a fully diluted basis (Singapore cents)	(0.02)	0.03

Earnings per ordinary share is calculated by dividing the consolidated profit after tax attributable to owners of the Company over the weighted average number of ordinary shares in issue during the respective financial period.

The basic and diluted earnings per share are the same for 1Q2020 and 1Q2019 as the Company has no dilutive equity investments as at 30 June 2019 and 30 June 2018.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	GROUP		COMPANY	
	30 June 2019	31 March 2019	30 June 2019	31 March 2019
Net assets attributable to owners of the Company (S$'000)	192,639	193,170	113,545	113,848
Number of ordinary shares ('000)	2,759,468	2,759,468	2,759,468	2,759,468
Net asset value per share based on total number of issued ordinary shares excluding treasury shares (Singapore cents)	6.98	7.00	4.11	4.13

The calculations of net asset value per ordinary share of the Group and the Company were based on (i) the net asset value of the Group and the Company as at 30 June 2019 and 30 June 2018 respectively; and (ii) 2,759,468,325 ordinary shares as at 30 June 2019 and 30 June 2018 respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

8(a) Income Statement

	GROUP			
	1Q2020		1Q2019	
	S$'000	%	S$'000	%
Revenue:				
Income from serviced apartment	1,206	36%	1,027	37%
Rental income				
- Residential units	299	9%	325	12%
- Commercial units	1,879	55%	1,444	51%
Total revenue	3,384		2,796	
Cost of sales:				
Serviced apartment	613	100%	553	100%
Total cost of sales	613		553	
Gross profit	2,771		2,243	
Gross profit margin	81.9%		80.2%	

Revenue

The Group's revenue in 1Q2020 comprised income from serviced apartment and rental income. Rental income consists of income derived from the leasing of residential units and commercial units.

The Group's revenue increased by S$0.59 million or 21.0%, from S$2.80 million in 1Q2019 to S$3.38 million in 1Q2020. The increase was mainly due to higher rental income collected from the commercial office building, MacDonald House and income from the serviced apartment.

Cost of Sales and Gross Profit

The Group's cost of sales increased by S$0.06 million or 10.8% in 1Q2020. The cost of sales was associated with the cost incurred to operate the serviced apartment. The increase was in tandem with the increase in the income from serviced apartment.

Gross profit margin increased from 80.2% in 1Q2019 to 81.9% in 1Q2020. The improvement in gross profit margin was mainly due to better cost control in operating the serviced apartment.

8(a) Income Statement (cont'd)

Other Income

Other income decreased by S$0.83 million mainly due to receipt of guarantee amount covered under the performance bond being recorded in 1Q2019. The Company has made a call on the performance bond policy taken for the development project, Mayfair Residences due to the main contractor's inability to deliver work in accordance to the contract terms.

Marketing and Distribution Expenses

Marketing and distribution expenses in 1Q2020 consist of commission expenses paid to 3rd party property agents for sourcing of tenants for the residential units.

General and Administrative Expenses

General and administrative expenses include staff costs, depreciation expenses, professional fees, directors' fees and office expenses. General and administrative expense decreased by S$0.17 million or 15.2% from S$1.12 million in 1Q2019 to S$0.95 million in 1Q2020 mainly due to decrease in employee benefits expense as there was a reduction in staff headcount as compared to corresponding period of previous year.

Finance Costs

The increase in finance costs of S$0.14 million from S$1.00 million in 1Q2019 to S$1.14 million in 1Q2020 was mainly due to higher effective interest rates for bank loans.

Share of Results of an Associate

The decrease in share of result of an associate by S$0.02 million in 1Q2020 as compared to 1Q2019 was mainly due to lesser performance fees being recognised by the real estate fund managed by the associate company.

Share of Results of a Joint Venture

Share of loss of a joint venture increased by S$1.10 million from S$0.10 million in 1Q2019 to S$1.20 million in 1Q2020 which was mainly due to project delay in obtaining the strata title from the Singapore Land Authority. As a result, additional cost was incurred for the project and provision for liquidity damages was recorded under the joint venture company's book in 1Q2020. As of 7 October 2019, the registration of the Strata Title Application for the issuance of separate titles in respect of the said project was obtained by the Group.

8(b) Statement of Financial Position

Assets

Total assets stood at S$379.51 million as at 30 June 2019 as compared to S$382.19 as at 31 March 2019.

The decrease of S$2.68 million was mainly due to:
(i) decrease in plant and equipment as a result of the depreciation charges during the financial period;
(ii) decrease in investment in a joint venture for the share of losses of joint venture results; and
(iii) decrease in cash and cash equivalents which was mainly attributable to the repayment of loans and borrowings.

Liabilities

Total liabilities stood at S$186.87 million as at 30 June 2019 as compared to S$189.02 million as at 31 March 2019.

The decrease of S$2.15 million was mainly due to:
(i) decrease in loans and borrowings as a result of the principal repayment of loans and borrowings; and
(ii) decrease in trade payables, other payables and accruals as a result of repayment of trade payables, other payables and accruals.

8(c) Statement of Cash Flows

The Group's cash and cash equivalents decreased by S$1.32 million from S$9.08 million as at 31 March 2019 to S$7.76 million as at 30 June 2019 mainly due to the following:

(i) Net cash flows used in financing activities of S$1.59 million was mainly due to the repayment of loans and borrowings during the financial period; and

(ii) Net cash flows used in investing activities of S$0.01 million was due to purchase of plant and equipment.

The decrease was partially offset by the net cash flows from operating activities of S$0.29 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Based on a news release published by the Urban Redevelopment Authority on 25 October 2019[1], the private residential property index increased by 2.0 points or 1.3% in 3Q2019 compared to 2Q2019, this represent a rise for a second consecutive quarter. Amidst the presence of underlying global uncertainties and trade tensions, the stable nature of the residential property market remains a silver lining and driving sales momentum in the third quarter. This can be attributed to a slew of new launches and rightly priced projects captivating the interest of buyers and investors. However, with the remaining various property cooling measures still in place, and the introduction of the additional 5% buyer stamp duty in July 2018, the Group expects prices in the residential property market to continue to remain moderate in 2019.

The current property market conditions remain challenging. The Group is cautious when seeking opportunities such as accretive lands and investment assets which can provide sustainable return to shareholders.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended/declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

[1] https://www.ura.gov.sg/Corporate/Media-Room/Media-Releases/pr19-47

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommend for the financial period ended 30 June 2019 as cashflows are being directed to fund the Group's operating activities.

13. If the group has obtained a general mandate from shareholders for interested person transactions ("**IPT**"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have any general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**"). There were no interested person transactions entered into by the Group during financial period ended 30 June 2019.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the Catalist Rules.

The Company confirms that it has procured all the required undertakings from all directors and executive officers of the Company under Rule 720(1) of the Catalist Rules.

15. Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules.

The board of directors of the Company confirms that, to the best of its knowledge, nothing has come to the attention of the board of directors which may render the unaudited financial results for the three months ended 30 June 2019 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD OF DIRECTORS

Nico Purnomo Po
Executive Director and CEO

29 October 2019