

POLLUX PROPERTIES LTD.*(Company Registration No. 199904729G)***FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (UNAUDITED)**

*This announcement has been prepared by the Company and its contents have 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**"). 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. Tay Sim Yee, at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542, telephone (65) 6532 3829

The current financial period covers 12 months from 1 April 2017 to 31 March 2018 ("FY2018") and the comparative financial period covers 12 months from 1 April 2016 to 31 March 2017 ("FY2017").

1(a) Consolidated income statement

	Group			
	FY2018	FY2017	Change	
	S\$'000	S\$'000	S\$'000	%
Revenue	15,303	29,878	(14,575)	(48.8)
Cost of sales	(11,475)	(26,533)	(15,058)	(56.8)
Gross profit	3,828	3,345		
Interest Income	18	84	(66)	(78.6)
Other income	61,593	532	61,061	N/M
Marketing and distribution expenses	(19)	(20)	(1)	(5.0)
General and administrative expenses	(9,100)	(6,990)	2,110	30.2
Profit/(Loss) from operations	56,320	(3,049)		
Finance costs	(1,838)	(698)	1,140	N/M
Share of results of an associate	8	(3)	11	N/M
Share of results of a joint venture	(3,031)	6,363	(9,394)	N/M
Profit before tax	51,459	2,613		
Income tax credit /(expense)	316	(37)	(353)	N/M
Profit for the financial year, net of tax	51,775	2,576		

N/M - Not meaningful

1(a) Consolidated income statement (cont'd)

	Group			
	FY2018	FY2017	Change	
	S\$'000	S\$'000	S\$'000	%
Profit attributable to:				
Owners of the Company	51,775	2,576	49,199	N/M

Note:

The following items have been included in arriving at profit:

	Group			
	FY2018	FY2017	Change	
	S\$'000	S\$'000	S\$'000	%
Depreciation of investment properties	3,272	2,752	520	18.9
Depreciation of plant and equipment	831	625	206	33.0
Interest expense	1,834	644	1,190	N/M
Property, plant and equipment written off	4	6	(2)	N/M
Allowance for doubtful debts ⁽¹⁾	4,683	1,001	3,682	N/M
Fair valuation gain on quoted investment	(11)	-	(11)	N/M
Overprovision of tax expense in prior year	-	(220)	(220)	100.0
Gain from bargain purchase of subsidiaries	(61,315)	-	(61,315)	N/M

⁽¹⁾ The allowance for doubtful debts pertain to payment of construction cost in advance to main contractor and rental due from tenant.

N/M - Not meaningful

Consolidated statement of comprehensive income

	Group			
	FY2018	FY2017	Change	
	S\$'000	S\$'000	S\$'000	%
Profit for the financial year, net of tax	51,775	2,576	49,199	N/M
Other comprehensive income for the financial year, net of tax	-	-	-	-
Total comprehensive income for the financial year	51,775	2,576	49,199	N/M
Total comprehensive income attributable to:				
Owners of the Company	51,775	2,576	49,199	N/M

1(b)(i) Balance Sheets

	Group		Company	
	As at 31 March 2018 S\$'000	As at 31 March 2017 S\$'000	As at 31 March 2018 S\$'000	As at 31 March 2017 S\$'000
Non-current assets				
Plant and equipment	2,758	1,508	6	12
Investment properties	331,916	50,988	-	-
Investment in subsidiaries	-	-	141,232	*
Investment in a joint venture	9,946	13,198	*	*
Investment in an associate	855	847	847	847
Investment in unquoted securities	1,512	-	1,512	-
	346,987	66,541	143,597	859
Current assets				
Properties under development	-	25,754	-	-
Trade receivables	6,872	13,156	-	-
Other receivables and deposits	132	445	37	39
Prepaid operating expenses	24	95	13	13
Due from subsidiaries	-	-	47,028	52,796
Due from related companies	13,815	9,188	10,352	5,688
Investment in securities	304	-	-	-
Cash and cash equivalents	19,166	3,186	1,997	1,089
	40,313	51,824	59,427	59,625
Total assets	387,300	118,365	203,024	60,484
<u>Equity attributable to the owners of the Company</u>				
Share capital	140,100	54,806	140,100	54,806
Revenue reserve	50,329	(1,446)	(11,901)	(11,491)
Total equity	190,429	53,360	128,199	43,315
Non-current liabilities				
Loans and borrowings	121,433	17,371	-	-
Loan from joint venture ⁽¹⁾	14,491	-	14,491	-
Deferred tax liabilities	203	544	-	-
	136,127	17,915	14,491	-

* Amount less than S\$1,000.

	Group		Company	
	As at 31 March 2018 S\$'000	As at 31 March 2017 S\$'000	As at 31 March 2018 S\$'000	As at 31 March 2017 S\$'000
Current liabilities				
Trade payables	4,376	3,533	-	-
Deferred revenue	331	217	-	-
Other payables and accruals	4,060	2,087	542	460
Provision for taxation	685	402	-	-
Loans and borrowings	51,282	26,360	-	-
Loan from joint venture ⁽¹⁾	-	14,491	-	14,491
Due to related party	10	-	-	-
Due to subsidiaries	-	-	59,792	2,218
	60,744	47,090	60,334	17,169
Total liabilities	196,871	65,005	74,825	17,169
Total equity and liabilities	387,300	118,365	203,024	60,484

(1) The reclassification of loan from joint venture from current liabilities to non-current liabilities was because the Group has received a letter from Pollux Botero Pte Ltd indicating that the debt need not be repaid in the next 12 months. ("Joint Venture").

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

Amount repayable in one year or less, or on demand

As at 31 March 2018		As at 31 March 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
51,282	-	26,360	14,491

Amount repayable after one year

As at 31 March 2018		As at 31 March 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
121,433	14,491	17,371	-

Details of collaterals:

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

1. First legal mortgage over the related property held for investment;
2. Corporate guarantees by the Company; and
3. Legal assignment over all rights, title, and interests in the related construction contract, insurance policies, performance bond (if any), tenancy agreements, current and future rental income relating to the specified property pledged and sale and purchase agreements in respect of development properties.

Pursuant to the circular dated 29 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 7-year 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-year tenure term loan.

Cash and cash equivalents consist of the following:

	As at 31 March 2018	As at 31 March 2017
	S\$'000	S\$'000
Cash at bank and cash on hand	13,507	1,614
Cash in pledge deposit	5,030	-
Cash in project accounts	629	1,572
	19,166	3,186

The use of the cash in project accounts is restricted to payments of expenses incurred for the respective development properties.

1(c) Consolidated cash flow statement

	Group	
	FY2018	FY2017
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before tax	51,459	2,613
Adjustments:		
Depreciation of plant and equipment	831	625
Depreciation of investment properties	3,272	2,752
Share of results of a joint venture	3,031	(6,363)
Share of results of an associate	(8)	3
Interest income	(18)	(84)
Interest expense	1,834	644
Fair valuation gain on quoted investment	(11)	-
Gain from bargain purchase of subsidiaries	(61,315)	-
Plant and equipment written off	4	6
Allowance for doubtful debts	4,683	1,001
Operating cash flows before changes in working capital	3,762	1,197
Changes in working capital:		
Trade receivables	1,640	(6,380)
Other receivables, deposits and prepayments	342	(171)
Properties under development	25,754	16,445
Completed property held for sale	-	626
Trade payables	551	53
Deferred revenue	114	33
Other payables and accruals	(194)	(1,236)
Cash flows from operations	31,969	10,567
Interest paid	(1,834)	(1,023)
Interest received	5	84
Income tax paid	(936)	220
Net cash flows from operating activities	29,204	9,848
Cash flows from investing activities		
Purchase of plant and equipment	(502)	(1)
Increase in amount due from related companies	(1,423)	(4,929)
Additions of investment properties	-	(1,473)
Net cash inflow from acquisition of a subsidiaries	10,582	-
Investment in unquoted securities	(1,512)	-
Net cash flows from/(used in) investing activities	7,145	(6,403)

1(c) Statement of cash flows (cont'd)

	Group	
	FY2018	FY2017
	S\$'000	S\$'000
Cash flows from financing activities		
Repayment of loans and borrowings	(20,369)	(21,932)
Proceeds from loans and borrowings	-	11,733
Net cash flows used in financing activities	(20,369)	(10,199)
Net increase/(decrease) in cash and cash equivalents	15,980	(6,754)
Cash and cash equivalents at beginning of financial year	3,186	9,940
Cash and cash equivalents at end of financial year	19,166	3,186

1(d)(i) Statement of changes in equity

	Attributable to owners of the Company		Total equity
	Share capital	Revenue reserve	
	S\$'000	S\$'000	S\$'000
Group			
At 1 April 2016	54,806	(4,022)	50,784
Profit net of tax, representing total comprehensive income for the financial year	-	2,576	2,576
At 31 March 2017 and 1 April 2017	54,806	(1,446)	53,360
Profit net of tax, representing total comprehensive income for the financial year	-	51,775	51,775
Shares issued for acquisition of subsidiaries	85,294	-	85,294
At 31 March 2018	140,100	50,329	190,429
Company			
At 1 April 2016	54,806	(10,550)	44,256
Loss net of tax, representing total comprehensive income for the financial year	-	(941)	(941)
At 31 March 2017 and 1 April 2017	54,806	(11,491)	43,315
Loss net of tax, representing total comprehensive income for the financial year	-	(410)	(410)
Shares issued for acquisition of subsidiaries	85,294	-	85,294
At 31 March 2018	140,100	(11,901)	128,199

1(d)(ii) Details of any changes in the company's share capital arising from the rights issue, bond issue, share buybacks, exercise of share options or warrants, conversion of other assets of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous financial period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as 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	Company	
	Number of Shares	Issued and paid-up share capital (S\$'000)
Balance at 30 September 2017	627,115,384	54,806
Issuance of new share ⁽¹⁾	2,132,352,941	85,294
Balance at 31 March 2018	2,759,468,325	140,100

⁽¹⁾ Pursuant to the sale and purchase agreement entered into by the Company in relation to the acquisition of Pollux Alpha Investment Ltd together with its subsidiaries ("PAI Group"), The Company has, on 16 November 2017, issued and allotted 2,132,352,941 fully paid new ordinary shares in the capital of the Company to Pollux Holdings Pte Ltd (the "Vendor"). Please refer to the Company's announcements dated 31 July 2017, 8 August 2017, 22 October 2017, 23 October 2017, 15 November 2017 and 16 November 2017 and the circular dated 29 September 2017 for further details.

There were no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 31 March 2018 and 31 March 2017.

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.

The total number of issued shares (excluding treasury shares) as at 31 March 2018 is 2,759,468,325 (31 March 2017 is 627,115,384 shares).

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

The figures have not been audited or reviewed by the auditors of the Company.

3. Where the figures have been audited or reviewed, the auditors' 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.

The Group has consistently applied the same accounting policies and methods of computation in the consolidated financial statements for the current financial period as compared to the most recently audited consolidated financial statements for the financial year ended 31 March 2017 except that the Group has adopted all the new or revised Financial Reporting Standards (“FRS”) as mentioned in item 5 below.

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 adopted the new and revised FRS and interpretations of FRS that are relevant to its operations and effective for annual period beginning 1 April 2017. The adoption of these FRS is assessed to have no material impact on the financial position or financial performance of the Group for the current financial period.

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	
	FY2018	FY2017
Basic (cents)	3.66	0.41
Diluted (cents)	3.66	0.41
Profit attributable to owners of the Company (in S\$'000)	51,775	2,576
Weighted average number of ordinary shares for basic and diluted earnings per share computation (in '000)	1,415,794	627,115

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 year.

Weighted average number of ordinary shares used in the computation of earnings per share in FY2018 has taken into consideration the number of new ordinary shares issued on 16 November 2017.

The basic and diluted earnings per share are the same for FY2018 and FY2017 as the Company has no dilutive equity investments as at 31 March 2018 and 31 March 2017.

7. Net assets value (for the issuer and group) per ordinary shares 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.

	As at	
	31 March 2018	31 March 2017
Net asset value per ordinary share (cents) - Group	6.90	8.51
Net asset value per ordinary share (cents) - Company	4.65	6.91

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 31 March 2018 and 31 March 2017 respectively; and (ii) 2,759,468,325 and 627,115,384 ordinary shares as at 31 March 2018 and 31 March 2017 respectively.

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

The Group	FY2018 S\$'000	%	FY2017 S\$'000	%
Type of Revenue:				
Sale of development properties (percentage of completion)	6,670	43.6	24,520	82.1
Income from Serviced apartment	5,268	34.4	5,195	17.4
Rental Income				
- Residential units ⁽¹⁾	476	3.1	-	-
- Commercial units ⁽¹⁾	2,889	18.9	163	0.5
Total Revenue	15,303	100.0	29,878	100.0

Cost of Sales:

Sale of development properties (percentage of completion)	9,205	80.2	24,184	91.1
Serviced apartment	2,270	19.8	2,349	8.9
Total Cost of Sales	11,475	100.0	26,533	100.0

Notes:

- Following the completion of the acquisition of Pollux Alpha Investments Ltd ("**PAI**") on 16 November 2017, rental income derived from the residential and commercial units is recorded for the period of 16 November 2017 to 31 March 2018.

Consolidated income statement

Revenue

The Group's revenue in FY2018 is comprised of revenue from sale of development properties, income from serviced apartment and rental income. Rental income consists of income from (1) residential units and (2) commercial units.

The Group's revenue decreased by S\$14.58 million or 48.8% from S\$29.88 million in FY2017 to S\$15.30 million in FY2018. The decrease was mainly due to most of the development properties had obtained Temporary Occupancy Permit ("TOP") in prior financial years and the revenue from these development properties had been recognized. The Group has obtained TOP for one development property during the financial year. In FY2018, our serviced apartment, Louis Kienne Serviced Residences, contributed S\$5.27 million in revenue. Rental income from the residential segment was generated from our newly acquired 14 residential units from PAI acquisition, while rental from the commercial units was generated from our 2 retail investment properties located along Balestier Road and a newly acquired commercial office building, MacDonald House through the PAI acquisition.

The Group currently has 3 ongoing projects as set out below. The percentage (%) sold is computed based on the number of units sold as at 31 March 2018.

<u>Project Name</u>	<u>Type of Development</u>	<u>Unit Sold (%)</u>	<u>Status</u>
1. Metro Loft	Residential	100%	TOP obtained
2. Mayfair Residences	Residential	100%	TOP obtained on 11 October 2017
3. Pavilion Square *	Residential / Commercial	100% / 100%	Construction In Progress

*Pavilion Square is a 50% joint venture of mixed development for commercial and residential purposes.

Cost of sales and Gross profit

Cost of sales of S\$11.48 million in FY2018 included S\$9.21 million for the construction of residential project, namely Mayfair Residences. The remaining S\$2.27 million was the cost incurred to operate the serviced apartment.

Gross profit margin increased from 11.2% in FY2017 to 25.0% in FY2018. The improvement in gross profit margin was mainly due to higher margin contribution from the property investment segment.

Interest income

Interest income in FY2018 mainly consists of interest to be received from short term advances to a related company. The decrease in interest income in FY2018 as compared to FY2017 was mainly due to shorter period of loan advances to a related company.

Other income

Other income increased by S\$61.06 million from S\$0.53 million in FY2017 to S\$61.59 million in FY2018. The increase was mainly due to an amount of S\$61.31 million gain from the bargain purchased of PAI Group during the financial year. This gain from bargain purchased was derived from the differences in fair valuation of purchase consideration against the fair valuation of PAI Group as at the completion date on 16 November 2017.

Marketing and distribution expenses

There was no significant changes to the marketing and distribution expenses between FY2018 and FY2017.

General and administrative expenses

General and administrative expenses include staff costs, depreciation expenses, professional fees, directors' fees and office expenses. The increase in general and administrative expense by S\$2.11 million or 30.2% from S\$6.99 million in FY2017 to S\$9.10 million in FY2018 was mainly due to an allowance for doubtful debts of S\$1.42 million being provided in FY2018 in relation to the advance payment to the main contractor. There was also an increase in depreciation expense for newly acquired investment properties via the acquisition of PAI and higher legal and professional fees incurred in relation to the proposed acquisition of PAI Group.

Finance costs

The increase in finance costs of S\$1.14 million from S\$0.70 million in FY2017 to S\$1.84 million in FY2018 was mainly due to the contribution of the interest expense from the newly acquired PAI Group amounting to S\$1.11 million.

Share of results of a joint venture

The decrease in share of results of a joint venture of S\$9.39 million from the share of profit of S\$6.36 million in FY2017 to share of losses S\$3.03 million in FY2018 was mainly due to the recognition of revenue based on the percentage of completion for Pavilion Square project as well as additional cost incurred for the project delay in completion.

Share of result of an associate

The increase in share of result of an associate by S\$0.01 million in FY2018 as compared to FY2017 was mainly due to the recognition of performance revenue for the real estate fund managed by the associate company.

Income tax credit/(expense)

The decrease in income tax expense of S\$0.35 million from S\$0.04 million in FY2017 to a tax credit of S\$0.32 million in FY2018 was mainly due to the reversal of deferred tax liabilities which no longer required as of financial year end 31 March 2018.

As a result of the above, the Group recorded a net profit attributable to owners of the Company of S\$51.78 million in FY2018 as compared to S\$2.58 million in FY2017.

Balance Sheet

The financial position of the Group remained strong with net assets of S\$190.43 million as at 31 March 2018. The Group's cash and cash equivalents stood at S\$19.17 million as at 31 March 2018 as compared to S\$3.19 million as at 31 March 2017. The increase in cash and cash equivalents was mainly due to receipt from buyers and additional cash received from the acquisition of PAI Group during the financial year.

The Group is in a net current liability position of approximately S\$20.43 million as at 31 March 2018, mainly due to an increase in short-term loans and borrowings which was from PAI Group. Out of the S\$51.3 million outstanding short-term loans and borrowings owed by the Group, S\$38.30 million has been refinanced to a 20-years tenure term loan on 26 April 2018. With the refinancing taken into consideration, the short-term loans and borrowings outstanding is S\$13.0 million and the cash position of the Group as of 31 March 2018 is approximately S\$19.2 million. Hence, the Board believes that the Group will be able to meet its short-term obligations as and when they fall due and continue as a going concern

Assets

Total assets stood at S\$387.30 million as at 31 March 2018 as compared to S\$118.37 million as at 31 March 2017.

The increase of S\$268.93 million was mainly due to the increase in (i) investment properties, (ii) plant and equipment and (iii) cash and cash equivalents which mainly resulted from the acquisition of PAI Group. In addition, the increase in amount due from related companies was mainly due to the non-interest bearing short term advances extended to related companies for the payment of construction cost made for completing the development project and investment in securities for a property development project also contributed to the overall increase in the total assets.

However, the increase was partially offset by (i) the decrease in properties under development due to the completion of projects under construction, (ii) the decrease in investment in a joint venture arising from the share of loss during the financial year and (iii) the decrease in trade receivables due to the collection of the amount from buyers.

Liabilities

Total liabilities stood at S\$196.87 million as at 31 March 2018 as compared to S\$65.01 million as at 31 March 2017.

The increase of S\$131.86 million was mainly due to the increase in (i) other payables and accruals, (ii) additional loans and borrowings from the acquisition of PAI Group.

Consolidated cash flow statement

The Group's cash and cash equivalents increased by S\$15.98 million from S\$3.19 million as at 31 March 2017 to S\$19.17 million as at 31 March 2018 mainly due to the following:

- 1) Net cash flows from operating activities of S\$29.20 million was mainly due to the (i) decrease in properties under development, (ii) decrease in trade receivables, and (iii) increase in other payables and accruals. However, this was partially offset by the (i) increase in trade payables and (ii) interest paid.
- 2) Net cash flows from investing activities of S\$7.15 million was mainly due to the cash inflow from the acquired subsidiaries and was partially offset by the purchase of plant and equipment, purchase of unquoted investment and non-interest bearing short term advances to a related company.
- 3) Net cash flows used in financing activities of S\$20.37 million was mainly due to the repayment of loans and borrowings during the financial year.

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 know 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 27 April 2018, the private residential property index increased by 5.4 points or 3.9% in 1Q 2018 compared from the last quarter. This is the third consecutive quarter of price increase since the improvement in market conditions from 3Q 2017. Prior to that, Singapore private residential property index has suffered the drop since the introduction of various property cooling measures in year 2013. With the various existing property cooling measures, the Group expects prices in the residential property market to remain moderate in year 2018.

The current property market conditions remain challenging. The Group is cautious when seeking opportunities to replenish its land bank and investment assets which can provide sustainable return to shareholders.

Barring any unforeseen circumstances, the Group believes that the operation of Louis Kienne Serviced Residences at 554 Havelock Road, growth of the associate fund management company, Stirling Fort Capital Pte Ltd, together with the newly acquired of Pollux Alpha Investments Ltd, the revenue streams will widen and provide a stable long term recurring income for the Group.

11. Dividend

(a) Current Financial Period Reported On

Any dividend 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.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the financial year ended 31 March 2018.

13. If the group obtained a general mandate from shareholders for IPT's, 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**"). Save for transactions less than S\$100,000, there were no other interested person transactions entered into during the financial year ended 31 March 2018.

14. Segmented revenue and results for operating segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

**Business Segments
FY2018**

	Property Investment S\$'000	Property Development S\$'000	Corporate S\$'000	Total S\$'000
External sales	8,633	6,670	-	15,303
Results:				
Interest income	2	3	13	18
Other income	40	10	61,543	61,593
Depreciation	4,096	0	7	4,103
Allowance for doubtful debts	140	4,543	-	4,683
Finance cost	1,822	15	1	1,838
Share of results of joint venture	-	(3,031)	-	(3,031)
Share of results of associate	-	-	8	8
Income tax credit	209	107	-	316
Segment profit/(loss)	958	(7,126)	57,943	51,775
Investment in a joint venture	-	9,946	-	9,946
Investment in an associate	-	-	856	856
Segment assets	334,926	13,262	28,310	376,498
Total Assets				387,537
Provision for taxation	664	21	-	685
Deferred tax liabilities	203	-	-	203
Segment liabilities	99,828	3,096	93,059	195,983
Total Liabilities				196,871

Business Segments
FY2017

	Property Investment	Property Development	Corporate	Total
	S\$'000	S\$'000	S\$'000	S\$'000
External sales	5,358	24,520	-	29,878
Results:				
Interest income	-	-	83	83
Other income	20	12	501	533
Depreciation	3,367	-	10	3,377
Allowance for doubtful debts for other receivables	-	-	1,001	1,001
Finance cost	684	13	1	698
Share of results of joint venture	-	6,363	-	6,363
Share of results of associate	-	-	(3)	(3)
Income tax expense	313	(276)	-	37
Segment profit/(loss)	(1,898)	5,892	(1,418)	2,576
Investment in a joint venture	-	13,198	-	13,198
Investment in an associate	-	-	847	847
Segment assets	56,596	40,876	6,848	104,320
Total Assets				118,365
Provision for taxation	150	252	-	402
Deferred tax liabilities	173	371	-	544
Segment liabilities	25,991	23,112	14,956	64,059
Total Liabilities				65,005

The Group operates in Singapore with revenue generated in Singapore market. Accordingly an analysis of assets and profits of the Group by geographical distribution has not been included.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to item 8 above for information.

16. A breakdown of sales as follows:

	FY2018 (S\$'000)	FY2017 (S\$'000)	Change %
a) Sales reported for the first half year	4,085	18,659	(78.1)
b) Operating (loss)/profit after tax for the first half	(2,017)	1,777	N/M
c) Sales reported for the second half year	11,218	11,219	N/M
d) Operating profit after tax for the second half year	53,792	799	N/M

N/M - Not meaningful

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

Not applicable. There is no annual dividend for both FY2018 and FY2017.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

None of the persons occupying managerial positions in the Company and its principal subsidiaries is a relative of a Director, Chief Executive Officer or substantial shareholder of the Company pursuant to Rule 704(10) of the Catalist Rules during the financial year ended 31 March 2018.

19. Confirmation by the Company 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.

BY ORDER OF THE BOARD OF DIRECTORS

NICO PURNOMO PO
EXECUTIVE DIRECTOR

23 May 2018