POLLUX PROPERTIES LTD.

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (UNAUDITED)

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

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The current financial period covers 12 months from 1 April 2013 to 31 March 2014 ("FY2014") and the comparative financial period covers 12 months from 1 April 2012 to 31 March 2013 ("FY2013").

1(a) Consolidated income statement

	Group			
	2014	2013	Change	
	S$'000	S$'000	S$'000	%
Continuing operations				
Revenue	24,117	10,495	13,622	129.80
Cost of sales	(21,432)	(7,902)	13,530	171.22
Gross profit	2,685	2,593		
Other income	210	121	89	73.55
Selling and distribution expenses	(361)	(285)	76	26.67
General and administrative expenses	(1,961)	(2,185)	(224)	(10.25)
Profit from operations	573	244		
Finance expenses	(134)	(96)	38	39.58
Share of results of joint venture	264	(66)	330	>300
Profit before taxation	703	82		
Income tax expense	(544)	(55)	489	>300
Profit for the financial year, net of tax	159	27		
Discontinued operations				
Profit for discontinued operations, net of tax	69	68	1	1.47
Profit for the financial year	228	95		
Profit attributable to:				
Equity holders of the Company	228	95	133	140.00
	228	95		

Note:
The following items have been included in arriving at profit:

Continuing operations

	Group			
	2014	2013	Change	
	S$'000	S$'000	S$'000	%
Depreciation of investment property	8	9	(1)	(11.11)
Depreciation of property, plant & equipment	37	32	5	15.63
Dividend income from quoted investments	-	(78)	(78)	NM
Finance expenses	134	96	38	39.58

Discontinued operations

	Group			
	2014	2013	Change	
	S$'000	S$'000	S$'000	%
Impairment loss of quoted investment	-	753	(753)	NM
Impairment loss on unquoted investment	-	22	(22)	NM
Gain on sale of subsidiaries	-	(843)	843	NM
Additional gain on disposal of investment	(444)	-	(444)	NM
Legal fees incurred due to warranty	375	-	375	NM

Consolidated statement of comprehensive income

	Group			
	2014	2013	Change	
	S$'000	S$'000	S$'000	%
Profit for the financial period, net of tax	228	95	133	140.00
Total comprehensive income for the financial period,net of tax	-	-	-	-
Total comprehensive income for the financial period	228	95		
Total comprehensive income attributable to:				
Equity holders of the Company	228	95	133	140.00
	228	95		

NM- Not meaningful

1 (b)(i) Statement of financial position

	Group		Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Property, plant and equipment	489	74	45	74
Investment property	3,137	3,145	-	-
Investment property under construction	47,402	28,558	-	-
Investment in joint venture	195	(69)	-	-
Other receivables	-	2,633	-	2,633
Deferred tax	-	38	-	-
	51,223	34,379	45	2,707
Current assets				
Property under development	43,997	16,419	-	-
Land held for development property	17,957	55,271	-	-
Trade receivables	3,591	6	-	-
Other receivables and deposits	3,194	1,183	3,005	627
Prepaid operating expenses	518	51	349	28
Due from subsidiaries	-	-	50,080	43,901
Due from joint venture	558	4,459	557	4,459
Cash and bank balances	9,711	7,001	1,605	10
	79,526	84,390	55,596	49,025
Assets held for sale/assets of disposal group classified as held for sale	-	2,499	-	2,499
Total assets	130,749	121,268	55,641	54,231
Equity attributable to equity holders of the Company				
Share capital	54,509	54,509	54,509	54,509
Revenue reserve	(7,796)	(8,024)	(8,817)	(7,918)
	46,713	46,485	45,692	46,591
Total equity	46,713	46,485	45,692	46,591
Non-current liabilities				
Bank term loans	48,480	57,568	-	-
Deferred taxation	374	68	-	-
	48,854	57,636	-	-
Current liabilities				
Trade payables	5,836	1,095	-	-
Loans and borrowings	19,421	12,637	-	-
Other payables and accruals	1,924	1,449	929	970
Income tax payable	1	16	-	-
Due to subsidiaries	-	-	1,020	4,720
Loan from joint venture	8,000	-	8,000	-
Due to director	-	1,950	-	1,950
	35,182	17,147	9,949	7,640
Total liabilities	84,036	74,783	9,949	7,640
Total equity and liabilities	130,749	121,268	55,641	54,231

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

Amount repayable in one year or less, or on demand

2014		2013	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
19,421	8,000	12,637	-

Amount repayable after one year

2014		2013	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
48,480	-	57,568	-

Details of the Group's borrowings:-

Secured Borrowings:

These borrowings are from financial instituitions and are secured by the following:

1. First legal mortgage over the related property held for investment, the related land held for property development and the related development properties;

2. Corporate guarantee 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 land held for property development and development properties.

Unsecured Borrowings:

Borrowing from Pollux Botero Pte. Ltd., a 50% joint venture of the Company, is secured, interest-free and repayable on demand.

1(b)(iii) The Group's cash and cash balances consist of the following:

	2014	2013
	S$'000	S$'000
Cash at bank	1,890	87
Cash in project accounts	7,821	6,914
	9,711	7,001

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

1(c) Statement of cash flows

	Group	
	2014	2013
	S$'000	S$'000
Cash flows from operating activities		
Profit before tax from continuing operations	703	82
Profit before tax from discontinuing operations	69	68
Profit before taxation	772	150
Adjustments:		
Depreciation of property, plant and equipment	37	32
Depreciation expenses for property held for investment	8	9
Fair value of changes on quoted investments held for trading	-	753
Share of results of joint venture, net of tax	(264)	66
Dividend income from quoted investments	-	(78)
Provision for impairment loss	-	22
Interest expense	134	96
Gain on disposal of subsidiaries	-	(1,294)
Operating cash flows before changes in working capital	687	(244)
Changes in working capital:		
Trade receivables	(3,585)	(6)
Other receivables, deposits and prepayments	155	2,809
Property development	11,738	(3,715)
Investment property under development	(18,455)	(206)
Trade payables	4,741	591
Other payables and accruals	475	845
Due to related parties	-	(363)
Cash used in operations	(4,244)	(289)
Interest paid	(2,525)	(1,599)
Income tax paid	(215)	(9)
Net cash flows used in operating activities	(6,984)	(1,897)
Cash flows from investing activities		
Net cash outflow on disposal of a subsidiary	-	(108)
Dividend income from quoted investments	-	78
Purchase of property, plant and equipment	(452)	(30)
Proceeds from disposal of quoted investment	2,499	-
Net cash flows generated from / (used in) investing activities	2,047	(60)
Cash flows from financing activities		
Loan from joint venture	8,000	-
Receipt from joint venture	3,901	-
Repayment of loan and borrowing	(11,637)	-
Proceeds from bank term loans	9,333	2,014
(Repayment of loan to) / advances from director	(1,950)	1,971
Net cash flows generated from financing activities	7,647	3,985
Net Increase in cash and cash equivalents	2,710	2,028
Cash and cash equivalents at beginning of period	7,001	4,973
Cash and cash equivalents at end of period	9,711	7,001

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

	Share capital	Revenue reserve	Non-controlling interests	Total Equity
	S$'000	S$'000	S$'000	S$'000
Group				
At 1 April 2012	54,509	(8,119)	-	46,390
Profit net of tax, representing total comprehensive income for the financial year	-	95	-	95
At 31 March 2013 and 1 April 2013	54,509	(8,024)	-	46,485
Profit net of tax, representing total comprehensive income for the financial year	-	228	-	228
Balance as at 31 March 2014	54,509	(7,796)	-	46,713
Company				
At 1 April 2012	54,509	(9,257)	-	45,252
Profit net of tax, representing total comprehensive income for the financial year	-	1,339	-	1,339
At 31 March 2013 and 1 April 2013	54,509	(7,918)	-	46,591
(Loss) net of tax, representing total comprehensive income for the financial year	-	(899)	-	(899)
Balance as at 31 March 2014	54,509	(8,817)	-	45,692

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 period reported on. State also 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, if any, against the total number of of issued shares excluding treasury shares of the issuer, as the end of the financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There had been no changes in the Company's share capital since 30 September 2013.

There were no outstanding convertibles or treasury shares held by the Company as at 31 March 2014 and 31 March 2013.

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 2014 is 622,615,384 shares (31 March 2013 : 622,615,384 shares).

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

There were no sales, transfers, disposals, cancellation and/or use of treasury shares during the financial year ended 31 March 2014.

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 Company's auditors.

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 Group's most recently audited consolidated financial statements for financial year ended 31 March 2013 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 Financial Reporting Standards (FRS) and interpretations of FRS (INT FTS) that are relevant to its operations and effective for annual period beginning 1 April 2013. The adoption of these FRSs has no material impact on the financial position and results of the Group for the current financial period and prior year.

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	
	2014	2013
Basic (cents)	0.04	0.02
Diluted (cents)	0.04	0.02
Profit attributable to equity holders of the Company (in S$'000)	228	95
Weighted average number of shares for basic and diluted earnings per share computation (in '000)	622,615	622,615

Continuing operations	Group	
	2014	2013
Basic (cents)	0.025	0.004
Diluted (cents)	0.025	0.004
Profit attributable to equity holders of the Company (in S$'000)	159	27
Weighted average number of shares for basic and diluted earnings per share computation (in '000)	622,615	622,615

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.

	Group	
	2014	2013
Net asset value per ordinary share (cents) - Group	7.50	7.47
Net asset value per ordinary share (cents) - Company	7.34	7.48

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 2014 and 31 March 2013 respectively; and (ii) 622,615,384 shares as at 31 March 2014 and 31 March 2013.

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 libilities of the group during the current financial period reported on.

Consolidated income statement

Revenue

The Group's revenue comprises rental income from investment properties of S$0.33m and project revenue recognition from the residential projects, namely, Park Residences Kovan, Metro Loft Residences, Garden Park Residences and Berkeley Residences of S$23.79m.

The Group's revenue increased from S$10.50m in FY2013 to S$24.12m in FY2014. This was mainly due to (i) the full recognition of the residential project, namely, Park Residences Kovan, after obtaining its Temporary Occupation Permit on 5th February 2014; and (ii) the revenue recognition of the residential projects, namely, Metro loft Residences, Garden Park Residences and Berkeley Residences. The percentage of completion of Metro Loft Residences, Garden Park Residences and Berkeley Residences was 23%, 9% and 7% respectively as at 31 March 2014.

To-date, the Group has launched 6 projects as set out below. The percentage (%) sold is computed based on the number of units sold as of 31 March 2014.

Project Name	**Type of Development**	**Unit Sold (%)**
1. Park Residences Kovan	Residential	100%
2. Metro Loft Residences	Residential	100%
3. Garden Park Residences	Residential	78%
4. Berkeley Residences	Residential	64%
5. Mayfair Residences	Residential	45%
6. Pavilion Square *	Residential	88%
	Commercial	99%

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

Cost of sales and Gross profit

Cost of sales of S$21.43m in FY2014 related to the residential projects under construction, namely, Park Residences Kovan, Metro Loft Residences, Garden Park Residences and Berkeley Residences. The gross profit margin for FY2014 was approximately 11% as compared to FY2013 of approximately 25%. The decrease in gross profit margin was mainly due to lower profit margin recognised from the development projects as a result of the additional cost incurred.

Other income

Other income increased by S$0.09m from S$0.12m in FY2013 to S$0.21m in FY2014 mainly due to gain from disposal of quoted investment shares.

Operating expenses

Selling and distribution expenses

Selling and distribution expenses increased by of S$0.07m from S$0.29m in FY2013 to S$0.36m in FY2014. This was mainly due to the launch of several projects by the Group in FY2014, namely, Garden Park Residences, Berkeley Residences and Mayfair Residences, as compared to one project, Metro Loft Residences, launched in FY2013.

General and administrative expenses

General and adminstrative expenses decreased by S$0.22m from S$2.18m in FY2013 to S$1.96m in FY2014. The decrease was mainly due to the reduction of staff cost.

Finance expenses

Finance expenses increased by S$0.04m from S$0.09m in FY2013 to S$0.13m in FY2014. This was mainly due to term loan interest for investment property at Balestier Road.

Share of results of joint venture

Share of results of joint venture increased by S$0.33m from a loss of S$0.07m in FY2013 to a profit of S$0.26m in FY2014. The increase was mainly due to recognition of percentage completion for Pavilion Square project.

Statement of Financial Position

The Group had net current assets of S$46.71m as at 31 March 2014. The Group's cash and bank balances stood at S$9.71m as at 31 March 2014 as compared to S$7.00m as at 31 March 2013. The increase in cash and bank balances was mainly due to proceeds from the residential projects comprising 20% of the sales consideration from Garden Park Residences, Berkeley Residences, Mayfair Residences and Metro Loft Residences.

Assets

Total assets stood at S$130.75m as at 31 March 2014 as compared to S$121.27m as at 31 March 2013.

The increase of S$9.48m was mainly due to:-

(i) the increase in investment property under construction located at Havelock Road;

(ii) the reclassification of the residential projects (Metro Loft Residences, Garden Park Residences and Berkeley Residences) from land held for development property to property under development; and

(iii) the increase in receivables as well as cash and bank balances from projects sales proceeds.

These were partially offset by the decrease in:-

(i) land held for development property due to the reclassification of the residential projects (Metro Loft Residences, Garden Park Residences and Berkeley Residences) as abovementioned; and

(ii) other receivables and deposits in relation to the discontinued operations of the Group.

Liabilities

Total liabilities stood at S$84.03m as at 31 March 2014 as compared to S$74.78m as at 31 March 2013.

The increase of S$9.25m was mainly due to:-

(i) the increase in loans and borrowings due to the reclassification of the bank loan for the residential project, Park Residences Kovan, from bank term loans to loans and borrowings;

(ii) trade payables due to contractor for work done;

(iii) other payables and accruals due to an increase in accrued operating expenses; and

(iv) the increase in loan from joint venture investment.

These were partially offset by the decrease in:-

(i) amount due to a director; and

(ii) bank term loans as abovementioned.

Statement of Cash Flows

The Group's cash and cash equivalents increased by S$2.71m from S$7.00m as at 31 March 2013 to S$9.71m as at 31 March 2014 due mainly to the following:-

1) Net cash flows used in operating activities of S$6.98m was mainly due to (i) the decrease in other receivables, deposits and prepayments, (ii) the increase in trade payables as well as other payables and accruals; (iii) the increase in investment property under development; and (iv) the interest paid for the loans drawdown.

2) Net cash flows generated from investing activities of S$2.05m was mainly due to proceeds from disposal of quoted investments partially offset by the purchase of property, plant and equipment.

3) Net cash flows generated from financing activities of S$7.65m was due to a loan and the amount due from the joint venture investment which were partially offset by the repayments of loan and borrowing as well as loan from a director.

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.

The factors that may significantly affect the Group in the next 12 months are as follows:

(i) The cumulative impact of the various cooling measures introduced by the Singapore government; and

(ii) The implementation of the Total Debt Servicing Ratio (TDSR) framework for property loans in June 2013.

The market conditions in the property markets remain challenging. Moving forward, the Group intends to explore opportunities in investment properties in Singapore and the South East Asia region.

Barring unforeseen circumstances, the Group also intends to launch the Louis Serviced Apartment in the 2nd Quarter of FY2014.

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 2014.

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 obtaind, 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 the SGX-ST Listing Manual Section B: Rules of Catalist ("Catalist Rules"). Excluding transactions less than S$100,000, there were no interested person transactions entered into during the financial year ended 31 March 2014.

14 Segmented revenue and results for business or geographical 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.

Discontinued operations : Building materials division, Home furnishing division and Construction division.

Continuing operations: Rental Services and Property development

Business segments
March 2014

	Rental Services	Property Development	Others	Discontinued Operations	Elimination	Group
Revenue	2014 S$'000	2014 S$'000	2014 S$'000	2014 S$'000	2014 S$'000	2014 S$'000
- External sales	330	23,787	-	-	-	24,117
Total revenue	330	23,787	-	-	-	24,117
Results:						
Depreciation of property plant and equipment	8	37	-	-	-	45
Segment profit/(loss)	(355)	1,227	(713)	69	-	228
Assets						
Segment assets	51,124	73,852	5,773	-	-	130,749
Liabilities						
Segment liabilities	(23,452)	(51,649)	(8,935)	-	-	(84,036)

Business segments
March 2013

	Rental Services	Property Development	Others	Discontinued Operations	Elimination	Group
Revenue	2013 S$'000	2013 S$'000	2013 S$'000	2013 S$'000	2013 S$'000	2013 S$'000
- External sales	939	9,556	-		-	10,495
Total revenue	939	9,556	-	-	-	10,495
Results:						
Depreciation of property plant and equipment	9	32	-	-	-	41
Segment profit	(266)	1,664	(1,371)	68	-	95
Assets						
Segment assets	31,752	79,245	7,772	2,499	-	121,268
Liabilities						
Segment liabilities	(31,317)	(34,519)	(8,947)	-	-	(74,783)

The Group operates in Singapore with revenue generated in the 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 business or geographical segments.

Please refer to item 8 above for information.

16 A breakdown of sales as follows:-

	Group		
	2014	2013	% change
(a) Sales reported for the first half year	9,946	3,370	195.13
(b) Operating profit after tax reported for the first half year	326	48	>300
(c) Sales report for the second half year	14,171	7,125	98.89
(d) Operating (loss) after tax reported for the second half year	(167)	(21)	>300

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

Not applicable. There is no annual dividend for FY2014 and FY2013.

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 2014.

NICO PURNOMO PO
EXECUTIVE DIRECTOR

Date: 30 May 2014