

POLLUX
PROPERTIES

ANNUAL GENERAL MEETING

27TH JULY 2017

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2. Operation Review
3. Market Outlook
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17TH ANNUAL GENERAL MEETING

1. FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS – OVERVIEW

- Revenue at $29.88 million in FY2017
- Earnings per share at 0.41 cents per share in FY2017
- Return on equity at 4.83% in FY2017

Note: "FY" refers to the financial year ended 31 March in the respective years.

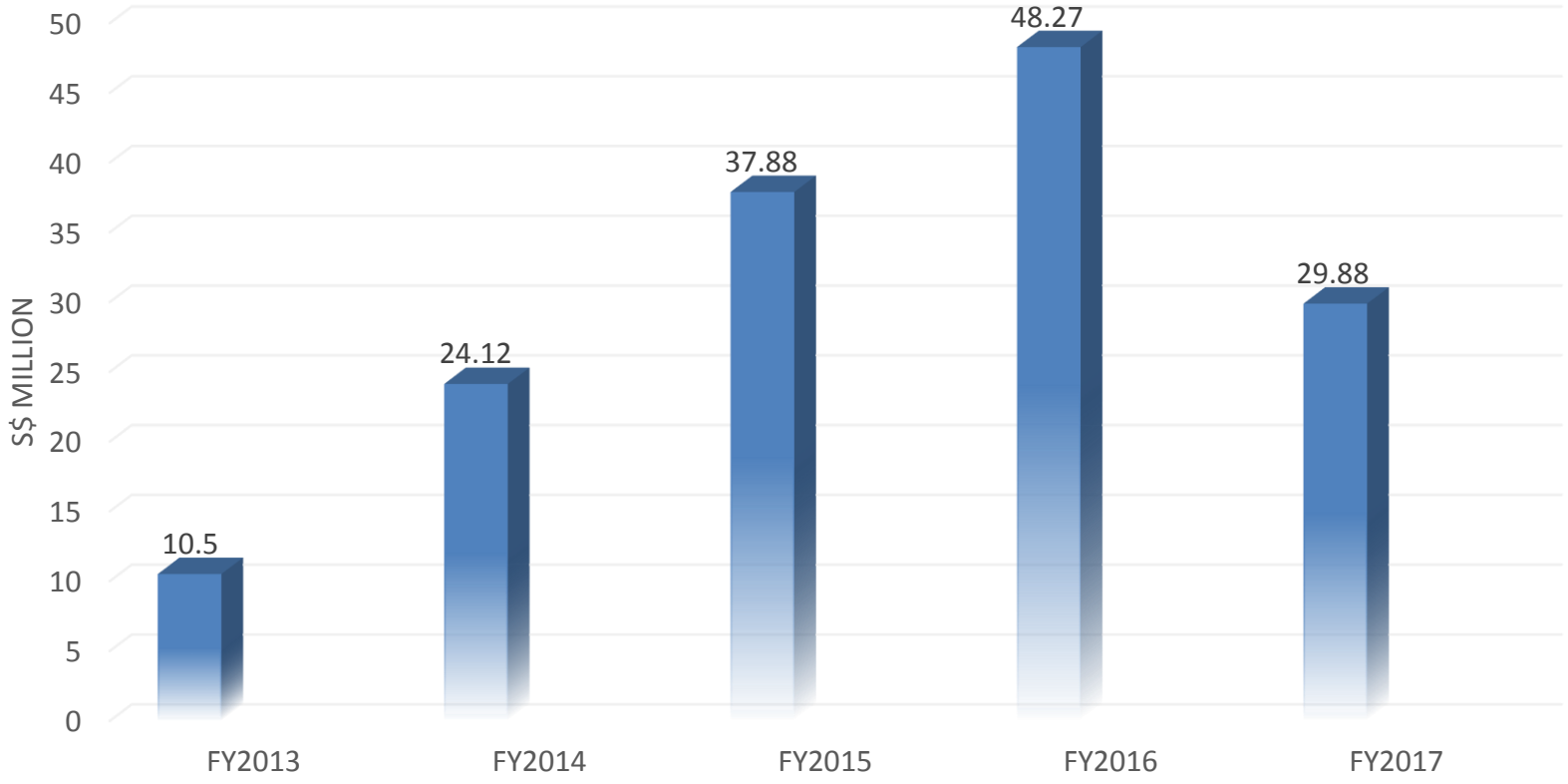
FINANCIAL HIGHLIGHTS

	Group FY2017	Group FY2016	Year on Year Change
Revenue	29.88 mil	48.27 mil	↓ 38.10%
EBITDA	6.63 mil	6.03 mil	↑ 9.95%
PATMI	2.58 mil	1.66 mil	↑ 55.42%
EPS	0.41 cent	0.27 cent	↑ 51.85%
NAV/ Share	8.51 cent	8.10 cent	↑ 5.06%
ROE	4.83 %	3.26 %	↑ *1.57%
Total equity	53.36 mil	50.78 mil	↑ 5.08%
Cash & Bank balances	3.19 mil	9.94 mil	↓ 67.91%
Net debt	60.66 mil	65.28 mil	↓ 7.08%
Gearing ratio	53.20 %	56.25 %	↓ *3.05%
Loans and borrowings	43.73 mil	53.93 mil	↓ 18.91%
Interest coverage ratio	5.05 times	3.24 times	↑ 55.86%

* This is the difference in between FY2017 vs FY2016 and not the year on year change in %.

FINANCIAL HIGHLIGHTS

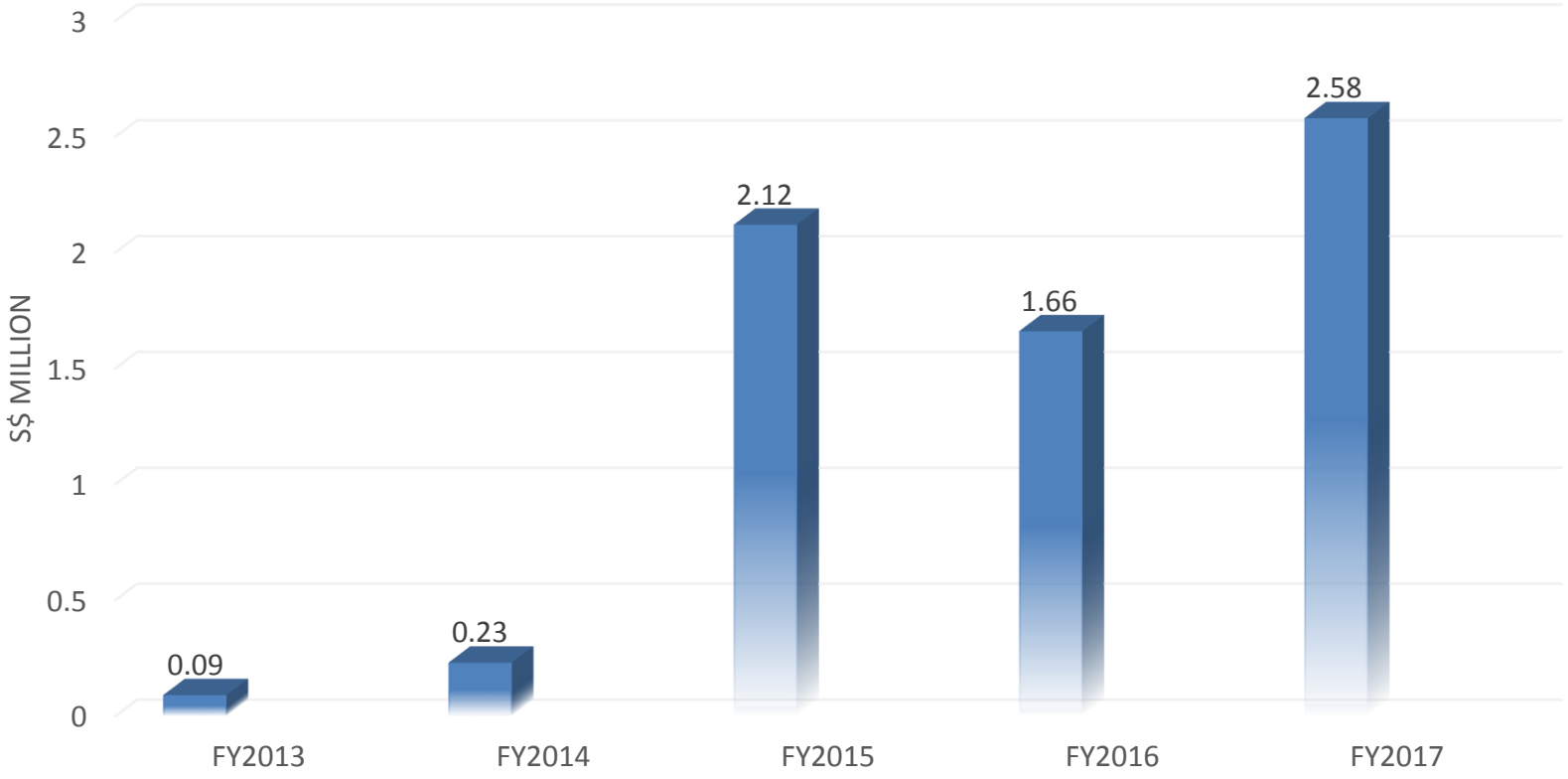
Revenue for The Past Five Financial Years



Note: The above financial information is extracted from annual reports / full year announcements of respective years.

FINANCIAL HIGHLIGHTS

PATMI for The Past Five Financial Years



Note: The above financial information is extracted from annual reports / full year announcements of respective years.

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2. OPERATION REVIEW

OPERATION REVIEW

- Garden Park Residences obtained TOP in May 2016.
- 100% tenanted for retail shops at Balestier Road in FY2017.
- Average 79% occupancy rate with Gross Operating Profit 55% and Revenue per available room S$152 at Louis Kienne Serviced Residences, Havelock Road in FY2017

OPERATION REVIEW

Under Construction Projects as of 24th May 2017

Pavilion Square

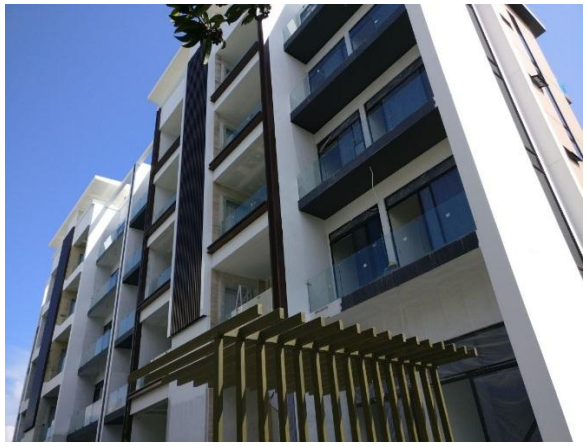




Location: 345 Geylang Road
Equity Stake: 50%
% Sold: 100%
Estimated Completion: By 3rd/4th quarter of FY2017

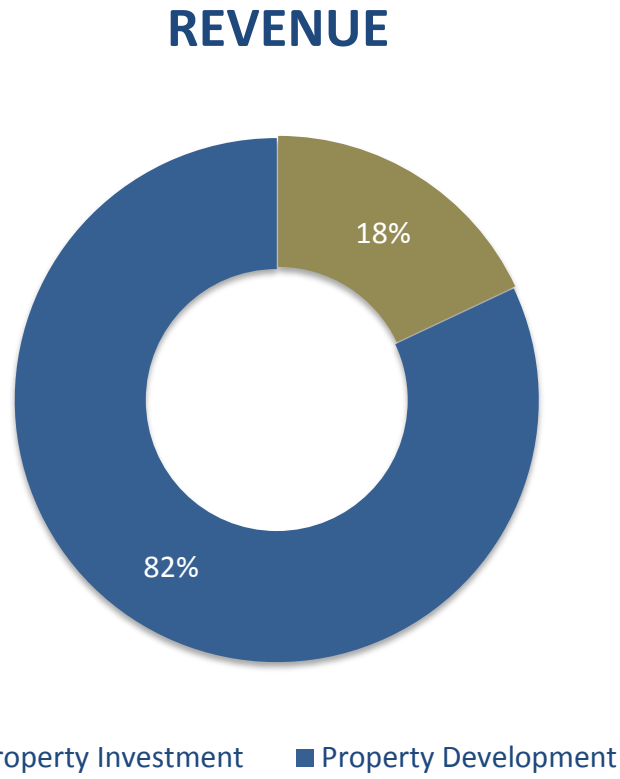
Mayfair Residences





Location: 531 East Coast Road
Equity Stake: 100%
% Sold: 85%
Estimated Completion: By 2nd quarter of FY2017

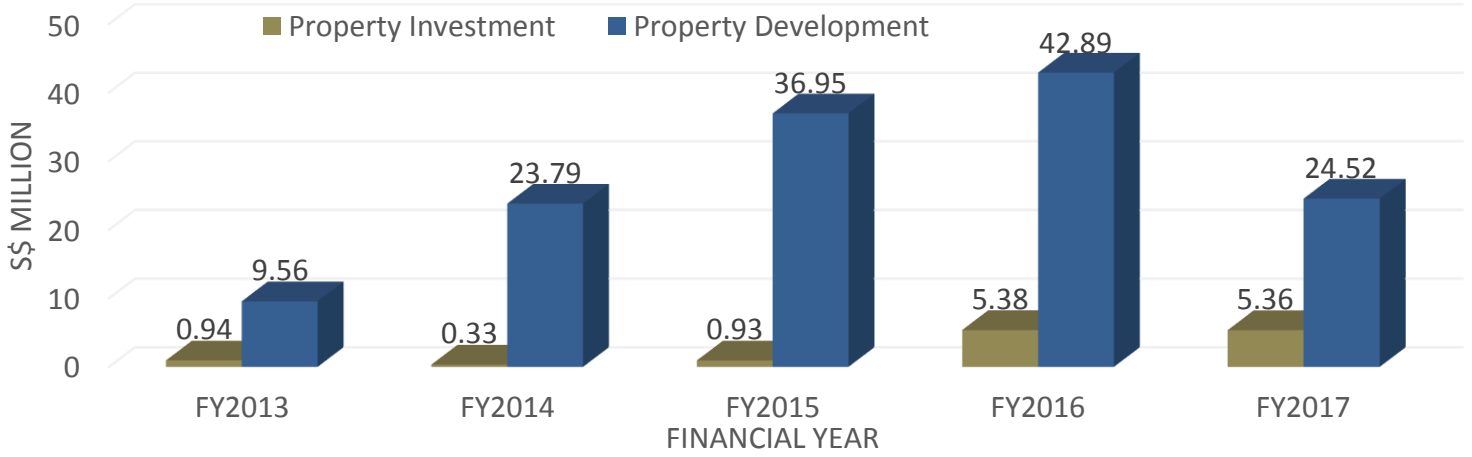
OPERATION REVIEW
Revenue in FY2017 By Business Segments



BUSINESS SEGMENTS	S$'000	PERCENTAGE
Property Investment	5,358	18%
Property Development	24,520	82%
TOTAL	29,878	100%

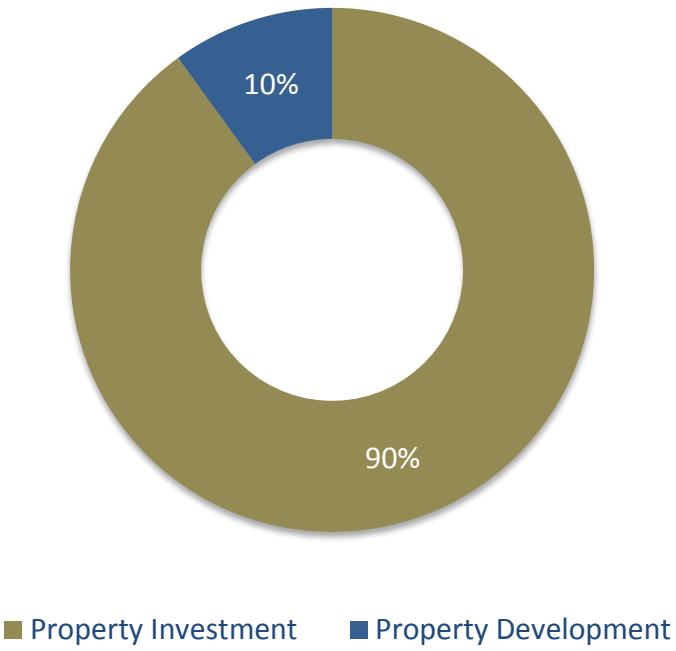
OPERATION REVIEW

Five Years Revenue By Business Segments



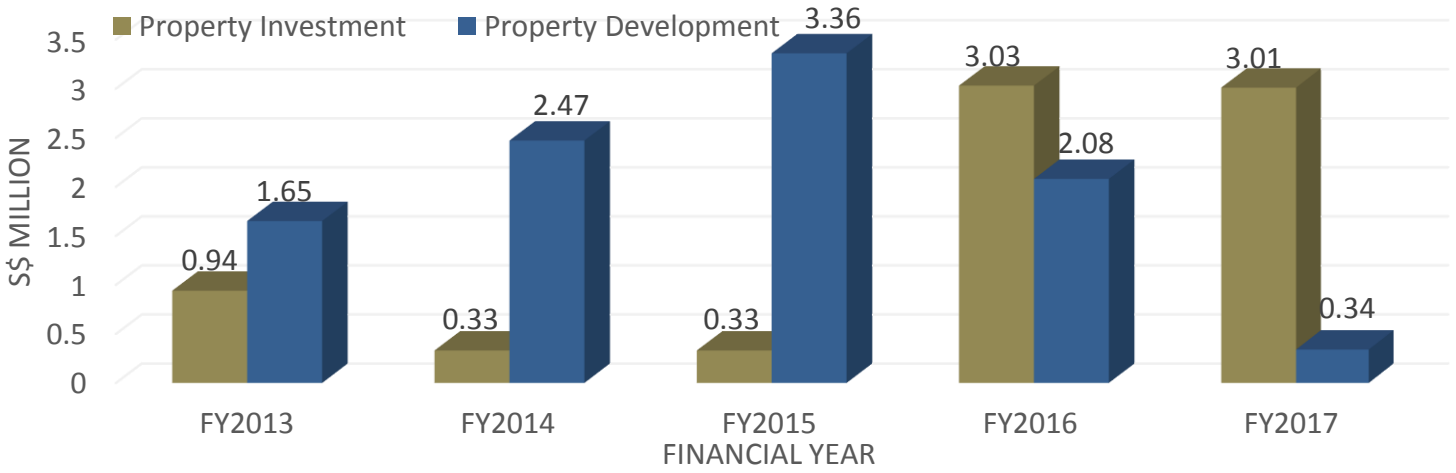
	FY2013 S$' MIL	FY2014 S$' MIL	FY2015 S$' MIL	FY2016 S$' MIL	FY2017 S$' MIL
Property Investment	0.94	0.33	0.93	5.38	5.36
Property Development	9.56	23.79	36.95	42.89	24.52
TOTAL	10.50	24.12	37.88	48.27	29.88

OPERATION REVIEW
Gross Profit in FY2017 By Business Segments



BUSINESS SEGMENTS	S$'000	PERCENTAGE
Property Investment	3,009	90%
Property Development	336	10%
TOTAL	3,345	100%

OPERATION REVIEW
5 Years Gross Profit By Business Segments



	FY2013 S$' MIL	FY2014 S$' MIL	FY2015 S$' MIL	FY2016 S$' MIL	FY2017 S$' MIL
Property Investment	0.94	0.33	0.33	3.03	3.01
Property Development	1.65	2.47	3.36	2.08	0.34
TOTAL	2.59	2.80	3.69	5.11	3.35

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3. MARKET OUTLOOK

OUTLOOK-PROPERTY DEVELOPMENT RESIDENTIAL MARKET

Key Indicators	4Q2016	1Q2017	Change	1Q2016	1Q2017	Change
Price index	137.2	136.7	-0.4%	140.6	136.7	-2.8%
Rental index	104.5	103.6	-0.9%	107.5	103.6	-3.6%
Take up	2,316	2,962	+27.9%	1,419	2,962	+108.7%
Pipeline supply	40,913	36,942	-9.7%	53,512	36,942	-31.0%
Vacancy rate	8.4%	8.1%	-0.3% point	7.5%	8.1%	+0.6% point

- With effect from 11 March 2017, the Government has relaxed some residential property measures relating to the Seller's Stamp Duty as well as the Total Debt Servicing Ratio framework. However, with the introduction of the Additional Conveyance Duty to buyer the property market will likely to remain in a down-cycle with the rest of the cooling measures implemented by the government still in place since January 2013. In 1Q2017, prices and rental of private residential properties fell 0.4% and 0.9%, compared to the 0.5% and 1.0% decline in the previous quarters.
- A number of factors will continue to put pressure on the property market, such as the large pipeline for the supply of property units, weakening demand amid low economic growth, and the market cooling measures which continue to remain in place.

Sources: from URA website and Straits Time website

OUTLOOK-PROPERTY INVESTMENT SERVICED APARTMENT / LEASING

- Hotel occupancy dropped 0.7% from 85% in year 2015 to 84.3% in year 2016. However, the occupancy has subsequently increased to 86% in March 2017, which is a 1.8% increase comparing March 2017 against March 2016.
- Reduced rental budgets and increasing supply of residential properties are putting downward pressure on the cost of accommodation in Singapore.
- Given the high amount of private residential supply in pipeline, tenants will continue to have the upper hand over landlords in negotiating rental rates, similarly for serviced apartment's tenants.

Sources: from URA website, Singapore Tourism Board website and Savills Research & Consultancy March 2017 report

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4. GOING FORWARD

GOING FORWARD

The Management intends to achieve a balance between property investment and property development opportunities.

Barring any unforeseen circumstances, the Group believes that the stable hospitality business under Louis Kienne Serviced Residences as well as the fund management activities under Stirling Fort Capital Pte. Ltd., will provide sustainable recurring income for the Group. We will continue to seek high quality trophy assets with attractive yields to expand our investment portfolio.

Management will adopt a cautious approach when seeking opportunities for land banks and diversifying our business into overseas markets, where opportunities arise.

THANK YOU