POLLUX PROPERTIES LTD.

(Company Registration No. 199904729G)

HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017 (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 6 months from 1 April 2017 to 30 September 2017 ("current financial period" or "1H2018") and the comparative financial period covers 6 months from 1 April 2016 to 30 September 2016 ("previous financial period" or "1H2017").

1(a) Consolidated income statement

	Group			
	1H2018	**1H2017**	**Change**	
	S$'000	**S$'000**	**S$'000**	**%**
Revenue	4,085	18,659	(14,574)	(78.1)
Cost of sales	(3,053)	(15,949)	(12,896)	(80.1)
Gross profit	**1,032**	**2,710**		
Interest income	13	48	(35)	(72.9)
Other income	4	14	(10)	(71.4)
Marketing and distribution expenses	-	(19)	(19)	N/M
General and administrative expenses	(2,876)	(3,202)	(326)	(10.2)
Loss from operations	**(1,827)**	**(449)**		
Finance costs	(302)	(298)	4	1.3
Share of result of an associate	26	6	20	333.3
Share of result of a joint venture	86	2,518	(2,432)	(96.6)
(Loss)/Profit before tax	**(2,017)**	**1,777**		
Income tax expense	-	-	-	-
(Loss)/Profit for the financial period	**(2,017)**	**1,777**		

N/M- Not meaningful

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

	Group			
	1H2018	1H2017	Change	
	S$'000	S$'000	S$'000	%
(Loss)/Profit attributable to:				
Owners of the Company	**(2,017)**	**1,777**	(3,794)	N/M

Note:
The following items have been included in arriving at profit/(loss):

	Group			
	1H2018	1H2017	Change	
	S$'000	S$'000	S$'000	%
Depreciation of investment properties	1,292	1,292	-	-
Depreciation of plant and equipment	314	313	1	0.3
Interest expense on bank loans	299	297	2	0.7
Plant and equipment written off	2	3	(1)	(33.3)
Allowance for doubtful debts [(1)]	-	500	-	N/M

N/M- Not meaningful

[(1)] The allowance for doubtful debts pertains to rental deposit and other receivables.

Consolidated statement of comprehensive income

	Group			
	1H2018	1H2017	Change	
	S$'000	S$'000	S$'000	%
(Loss)/Profit for the financial period, net of tax	**(2,017)**	**1,777**	(3,794)	N/M
Total comprehensive income for the financial period, net of tax	-	-	-	-
Total comprehensive (loss)/ income for the financial period	**(2,017)**	**1,777**		
Total comprehensive (loss)/income attributable to:				
Owners of the Company	**(2,017)**	**1,777**	(3,794)	N/M

N/M- Not meaningful

1(b)(i) Balance Sheets

	Group		Company	
	As at 30 September 2017 S$'000	As at 31 March 2017 S$'000	As at 30 September 2017 S$'000	As at 31 March 2017 S$'000
Non-current assets				
Plant and equipment	1,194	1,508	9	12
Investment properties	49,696	50,988	-	-
Investment in subsidiaries	-	-	*	*
Investment in securities	1,512	-	1,512	-
Investment in a joint venture	13,284	13,198	*	*
Investment in an associate	874	847	847	847
	66,560	66,541	2,368	859
Current assets				
Properties under development	26,429	25,754	-	-
Trade receivables	8,044	13,156	-	-
Other receivables and deposits	1,899	445	43	39
Prepaid operating expenses	17	95	3	13
Due from subsidiaries	-	-	52,069	52,796
Due from related companies	10,858	9,187	7,296	5,686
Cash and cash equivalents	2,237	3,186	501	1,089
	49,484	51,823	59,912	59,623
Total assets	**116,044**	**118,364**	**62,280**	**60,482**
Equity attributable to owners of the Company				
Share capital	54,806	54,806	54,806	54,806
Revenue reserve	(3,463)	(1,446)	(12,422)	(11,492)
Total equity	**51,343**	**53,360**	**42,384**	**43,314**
Non-current liabilities				
Loans and borrowings	16,466	17,371	-	-
Deferred tax liabilities	544	544	-	-
	17,010	17,915	-	-

* Amount less than S$1,000.

	Group		Company	
	As at 30 September 2017 S$'000	As at 31 March 2017 S$'000	As at 30 September 2017 S$'000	As at 31 March 2017 S$'000
Current liabilities				
Trade payables	2,603	3,533	-	-
Deferred revenue	209	217	-	-
Other payables and accruals	924	2,087	358	460
Provision for taxation	214	401	-	-
Loan from a shareholder	2,890	-	2,890	-
Loans and borrowings	26,360	26,360	-	-
Loan from joint venture	14,491	14,491	14,491	14,491
Due to subsidiaries	-	-	2,157	2,217
	47,691	47,089	19,896	17,168
Total liabilities	**64,701**	**65,004**	**19,896**	**17,168**
Total equity and liabilities	**116,044**	**118,364**	**62,280**	**60,482**

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

Amount repayable in one year or less, or on demand

As at 30 September 2017		As at 31 March 2017	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
26,360	17,381	26,360	14,491

Amount repayable after one year

As at 30 September 2017		As at 31 March 2017	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
16,466	-	17,371	-

Details of Collaterals:-

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

1. First legal mortgage over the related investment properties or the related properties under development;
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 properties under development and investment properties.

Cash and cash equivalents consist of the following:

	As at 30 September 2017	As at 31 March 2017
	S$'000	S$'000
Cash at bank and cash on hand	1,736	1,615
Cash in project accounts	501	1,571
	2,237	**3,186**

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

1(c) Consolidated cash flow statement

	Group	
	1H2018	1H2017
	S$'000	S$'000
Cash flows from operating activities		
(Loss)/Profit before tax	(2,017)	1,777
Adjustments:		
Depreciation of plant and equipment	314	313
Depreciation of investment properties	1,292	1,292
Allowance for doubtful debts	-	500
Share of result of a joint venture	(86)	(2,518)
Share of result of an associate	(26)	(6)
Interest income	(13)	(48)
Interest expense	299	297
Plant and equipment written off	2	3
Operating cash flows before changes in working capital	(235)	1,610
Changes in working capital:		
Trade receivables	5,112	(6,726)
Other receivables, deposits and prepayments	(1,376)	180
Deferred revenue	(8)	(116)
Properties under development	(297)	19,889
Completed property held for sale	-	626
Due from related companies	-	(679)
Trade payables	(1,849)	1,444
Other payables and accruals	(244)	(2,071)
Cash flows from operations	1,103	14,157
Interest paid	(678)	(449)
Income tax paid	(188)	(260)
Net cash flows from operating activities	237	13,448
Cash flows from investing activities		
Purchase of plant and equipment	(2)	(1)
Increase in amount due from related companies	(1,657)	-
Purchase of investment in securities	(1,512)	-
Net cash flows used in investing activities	(3,171)	(1)

***** Amount less than S$1,000.

1(c) Consolidated cash flow statement (cont'd)

	Group	
	1H2018 S$'000	1H2017 S$'000
Cash flows from financing activities		
Proceed from loan from a shareholder	2,890	-
Repayment of loans and borrowings	(905)	(18,899)
Net cash flows from/(used in) financing activities	1,985	(18,899)
Net decrease in cash and cash equivalents	(949)	(5,452)
Cash and cash equivalents at beginning of financial period	3,186	9,940
Cash and cash equivalents at end of financial period	2,237	4,488

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

	Attributable to owners of the Company		
	Share capital	Revenue reserve	Total equity
	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 period	-	1,777	**1,777**
At 30 September 2016	54,806	(2,245)	**52,561**
At 1 April 2017	54,806	(1,446)	**53,360**
Loss net of tax, representing total comprehensive loss for the financial period		(2,017)	**(2,017)**
At 30 September 2017	54,806	(3,463)	**51,343**
Company			
At 1 April 2016	54,806	(10,550)	**44,256**
Loss net of tax, representing total comprehensive loss for the financial period	-	(1,275)	**(1,275)**
At 30 September 2016	54,806	(11,825)	**42,981**
At 1 April 2017	54,806	(11,492)	**43,314**
Loss net of tax, representing total comprehensive loss for the financial period	-	(930)	**(930)**
At 30 September 2017	54,806	(12,422)	**42,384**

1(d)(ii) Details of any changes in the company's share capital arising from the rights issue, bond 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 financial period reported on. State also 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 a 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 September 2017 and 31 March 2017	627,115,384	54,806

There was no change in the Company's issued and paid-up share capital from 1 April 2017 to 30 September 2017.

There were no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 30 September 2017 and 30 September 2016.

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 30 September 2017 is 627,115,384 shares (31 March 2017: 627,115,384 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.

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 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 ("INT FTS") that are relevant to its operations and effective for annual period beginning 1 April 2017. The adoption of these FRS and INT FTS has no material impact on the financial position and results of the current financial period and prior year 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	
	1H2018	**1H2017**
Basic (cents)	(0.32)	0.28
Diluted (cents)	(0.32)	0.28
(Loss)/Profit attributable to owners of the Company (in S$'000)	(2,017)	1,777
Weighted average number of ordinary shares for basic and diluted earnings per share computation (in '000)	627,115	627,115

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

The basic and diluted earnings per share are the same for 1H2018 and 1H2017 as the Company has no dilutive equity instruments as at 30 September 2017 and 30 September 2016.

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 30 September 2017	As at 31 March 2017
Net asset value per ordinary share (cents) - Group	8.19	8.51
Net asset value per ordinary share (cents) - Company	6.76	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 30 September 2017 and 31 March 2017 respectively; and (ii) 627,115,384 shares as at 30 September 2017 and 31 March 2017.

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	**1H2018 S$'000**	**%**	**1H2017 S$'000**	**%**
Type of revenue:				
Sale of development properties (percentage of completion)	1,210	29.6	15,904	85.2
Rental income				
- Serviced apartment	2,800	68.6	2,673	14.3
- Commercial units	75	1.8	82	0.4
Total Revenue	4,085	100.0	18,659	100.0
Cost of Sales:				
Sale of development properties (percentage of completion)	1,845	60.4	14,721	92.3
Serviced apartment	1,208	39.6	1,228	7.7
Total Cost of Sales	3,053	100.0	15,949	100.0

Consolidated income statement

Revenue

The Group's revenue in 1H2018 comprised revenue from sale of development properties and rental income.

The Group's revenue decreased by S$14.57 million or 78.1%, from S$18.66 million in 1H2017 to S$4.09 million in 1H2018. The decrease was mainly due to 3 out of 4 development properties having obtained Temporary Occupancy Permit ("TOP") in the previous financial period and the revenue from these development properties have been recognized. The Group has not obtained any TOP for the development properties for the current financial period. In 1H2018, rental income our serviced apartment, Louis Kienne Serviced Residences, contributed S$2.80 million in revenue. Rental income from commercial units was generated from our two retail investment properties located along Balestier Road.

The Group currently has 5 ongoing projects as set out below. The percentage (%) sold is computed based on the number of units sold as at 30 September 2017.

Project Name	Type of Development	Unit Sold (%)	Status
1. Metro Loft Residences	Residential	100%	TOP obtained
2. Garden Park Residences	Residential	100%	TOP obtained
3. Berkeley Residences	Residential	100%	TOP obtained
4. Mayfair Residences	Residential	85%	TOP obtained on 11 October 2017
5. 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$3.05 million in 1H2018 included S$1.85 million for the residential project, Mayfair Residences. The remaining S$1.21 million was the cost incurred to operate the serviced apartment.

Gross profit margin increased from 14.5% in 1H2017 to 25.3% in 1H2018. The improvement in gross profit margin was mainly due to higher margin contribution from the operation of the serviced apartment.

Interest income

Interest income in 1H2018 mainly consists of interest to be received from short term advances to a related company. The decrease in interest income in 1H2018 as compared to 1H2017 was mainly due to shorter period of loan advances to a related company.

Other income

Other income in both 1H2017 and 1H2018 mainly consists of government incentive.

Marketing and distribution expenses

Marketing and distribution expenses in 1H2017 consists mainly the expense incurred for selling the completed property. However there was no such expenses incurred in 1H2018.

General and administrative expenses

General and administrative expenses include staff costs, depreciation expenses, professional fees, directors' fees and office expenses. The decrease in general and administrative expense by S$0.33 million or 10.2% from S$3.20 million in 1H2017 to S$2.88 million in 1H2018 was mainly due allowance for doubtful debts of other receivable of S$0.50 million provided in 1H2017. There was no such provision in 1H2018. The decrease was partly offset by the increase in legal and professional fees incurred in relation to the proposed acquisition of Pollux Alpha Investments Ltd. (for details of this proposed acquisition, please refer to the circular dated 29 September 2017).

Finance costs

There was no significant changes to the finance costs between 1H2017 and 1H2018.

Share of result of a joint venture

The decrease in share of result of a joint venture by S$2.43 million from S$2.52 million in 1H2017 to S$0.09 million in 1H2018 was mainly due to the recognition of revenue based on percentage of completion for the Pavilion Square project. Most of the revenue from the Pavilion Square project has been recognized in previous financial period.

Share of result of an associate

The increase in share of result of an associated by $0.02 million in 1H2018 as compare to 1H2017 was mainly due to the recognition of performance revenue for the real estate fund managed by the associate company.

Income tax expense

There was no significant changes to the income tax expense between 1H2017 and 1H2018.

Balance sheets

The financial position of the Group remained strong with net assets of S$51.34 million as at 30 September 2017. The Group's cash and cash equivalents stood at S$2.24 million as at 30 September 2017 as compared to S$3.19 million as at 31 March 2017. The decrease in cash and cash equivalents was mainly due to cash used in investing activities during the period.

Assets

Total assets stood at S$116.04 million as at 30 September 2017 as compared to S$118.36 million as at 31 March 2017.

The decrease of S$2.32 million was mainly due to (i) the decrease in investment properties and plant and equipment due to depreciation charges, (ii) the decrease in trade receivables from the collection of unit buyers and prepaid operating; and (iii) the decrease in cash and cash equivalents. However, the decreases were partially offset by (i) the increase in investment in securities for an property development project; (ii) the increase in investment in a joint venture and an associate from the share of result during the financial period; (iii) the increase in properties under development; (iv) the increase in amount due from related companies; and v) advances made to a contractor.

Liabilities

Total liabilities stood at S$64.70 million as at 30 September 2017 as compared to S$65.00 million as at 31 March 2017.

The decrease of S$0.30 million was mainly due to (i) the repayment of loans and borrowings; (ii) decrease in trade payables from the payment settlement of vendors and suppliers; and (ii) the decrease in other payables and accruals

for the settlement of liquidity damages to unit buyers. The decreases were partially offset by the increase in interest-free loan extended by the controlling shareholder of the Company, Pollux Holdings Pte. Ltd..

Consolidated cash flow statement

The Group's cash and cash equivalents decreased by S$0.95 million from S$3.19 million as at 31 March 2017 to S$2.24 million as at 30 September 2017 mainly due to the following:-

1) Net cash flows from operating activities of S$0.24 million was mainly due tothe decrease in trade receivables. This was partially offset by the increase in (i) other receivables, deposits and prepayment, (ii)the decrease in trade payables; (iii) the decrease in other payables and accruals as well as (iv) interest paid and income tax paid.

2) Net cash flows used in investing activities of S$3.17 million due to the increase in amount due from related companies and acquisition of investment in unquoted investments.

3) Net cash flows from financing activities of S$1.99 million was mainly due to proceed from loans and borrowings and was partially offset by the repayment of loans and borrowings.

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 October 2017, the private residential property index increased by 1.0 points or 0.7% in 3Q 2017 compared from the last quarter. This is the first quarter of price index rebounced since the introduction of various property cooling measures in year 2013. However, with the remaining various property cooling measure still in place, the Group expects prices in the residential property market to continue to remain moderate in 2018.

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.

Barring any unforeseen circumstances, the Group believes that with the operation of Louis Kienne Serviced Residences at 554 Havelock Road as well as the growth of the associate fund management company, Stirling Fort Capital Pte Ltd, and recently with the acquisition of Pollux Alpha Investments Ltd which is currently pending for completion, the revenue streams will widen and provide a stable long term recurring income for the Group. For more details on the acquisition of PAI, please refer to the circular dated 29 September 2017.

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

Any dividend declared for the 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 period ended 30 September 2017.

13. If the group obtained a general mandate from shareholders for IPTs, 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**"). Excluding transactions less than S$100,000, there were no other interested person transactions entered into during the financial period ended 30 September 2017.

14. 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 six months ended 30 September 2017 to be false or misleading in any material aspect.

15. 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

Date: 13 November 2017