POLLUX PROPERTIES LTD.

(Company Registration No. 199904729G)

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

*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.

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The current financial period covers 12 months from 1 April 2018 to 31 March 2019 ("FY2019") and the comparative financial period covers 12 months from 1 April 2017 to 31 March 2018 ("FY2018").

1(a) Consolidated income statement

	Group			
	FY2019	FY2018 (Restated)	Change	
	S$'000	S$'000	S$'000	%
Revenue	14,076	15,303	(1,227)	(8.0)
Cost of sales	(2,287)	(9,868)	(7,581)	(76.8)
Gross profit	**11,789**	**5,435**		
Interest Income	40	18	22	>100
Other income	4,273	61,593	(57,320)	(93.1)
Marketing and distribution expenses	(634)	(19)	615	>100
General and administrative expenses	(5,881)	(6,208)	(327)	(5.3)
Profit from operations	**9,587**	**60,819**		
Finance costs	(4,253)	(1,838)	2,415	>100
Share of results of an associate	50	8	42	>100
Share of results of a joint venture	46	(975)	1,021	N/M
Profit before tax	**5,430**	**58,014**		
Income tax (expense)/credit	(599)	317	(916)	N/M
Profit for the financial year, net of tax	**4,831**	**58,331**		

N/M - Not meaningful

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

	Group			
	FY2019	FY2018 (Restated)	Change	
	S$'000	S$'000	S$'000	%
Profit attributable to:				
Owners of the Company	**4,831**	**58,331**	(53,500)	91.7

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

	Group			
	FY2019	FY2018 (Restated)	Change	
	S$'000	S$'000	S$'000	%
Depreciation of plant and equipment	695	703	(8)	(1.1)
Interest expense	4,246	1,834	2,412	>100
Property, plant and equipment written off	-	4	(4)	N/M
Allowance for doubtful debts [(1)]	-	4,683	4,683	N/M
Fair valuation loss/(gain) on quoted securities	11	(11)	22	N/M
Fair value gain on unquoted securities	(547)	-	(547)	N/M
Fair value (gain)/loss on investment properties	(2,597)	380	2,977	N/M
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			
	FY2019	FY2018 (Restated)	Change	
	S$'000	S$'000	S$'000	%
Profit for the financial year, net of tax	**4,831**	**58,331**	(53,500)	91.7
Other comprehensive income for the financial year, net of tax	-	-	-	-
Total comprehensive income for the financial year	**4,831**	**58,331**	(53,500)	91.7
Total comprehensive income attributable to:				
Owners of the Company	**4,831**	**58,331**	(53,500)	91.7

1(b)(i) Balance Sheets

	Group			Company		
	As at 31 March 2019 S$'000	As at 31 March 2018 S$'000 (Restated)	As at 1 April 2017 S$'000 (Restated)	As at 31 March 2019 S$'000	As at 31 March 2018 S$'000	As at 1 April 2017 S$'000
Non-current assets						
Plant and equipment	415	2,758	1,508	3	6	12
Investment properties	340,170	336,090	52,270	-	-	-
Investment in subsidiaries	-	-	-	141,232	141,232	*
Investment in a joint venture	2,986	3,124	4,320	*	*	*
Investment in an associate	905	855	847	847	847	847
Investment in unquoted securities	2,617	1,512	-	2,617	1,512	-
	347,093	344,339	58,945	144,699	143,597	859
Current assets						
Properties under development	-	-	24,147	-	-	-
Trade receivables	71	89	109	-	-	-
Contract assets	4,476	6,805	13,047	-	-	-
Other receivables and deposits	116	133	445	35	37	39
Prepaid operating expenses	36	23	95	-	13	13
Due from subsidiaries	-	-	-	31,852	47,028	52,796
Due from related companies	21,023	13,815	9,186	17,952	10,352	5,688
Investment in securities	293	304	-	-	-	-
Cash and cash equivalents	9,081	19,166	3,186	94	1,997	1,089
	35,096	40,335	50,215	49,933	59,427	59,625
Total assets	**382,189**	**384,674**	**109,160**	**194,632**	**203,024**	**60,484**

1(b)(i) Balance Sheets

	Group			Company		
	As at 31 March 2019 S$'000	As at 31 March 2018 S$'000 (Restated)	As at 1 April 2017 S$'000 (Restated)	As at 31 March 2019 S$'000	As at 31 March 2018 S$'000	As at 1 April 2017 S$'000
Equity attributable to owners of the Company						
Share capital	140,100	140,100	54,806	140,100	140,100	54,806
Revenue reserve	53,070	47,681	(10,650)	(26,252)	(11,901)	(11,492)
Total equity	**193,170**	**187,781**	**44,156**	**113,848**	**128,199**	**43,314**
Non-current liabilities						
Loans and borrowings	143,681	121,433	17,371	-	-	-
Loan from joint venture(1)	14,491	14,491	-	14,491	14,491	-
Deferred tax liabilities	113	203	544	-	-	-
	158,285	136,127	17,915	14,491	14,491	-
Current liabilities						
Trade payables	2,823	4,156	3,533	-	-	-
Deferred revenue	728	331	217	-	-	-
Other payables and accruals	4,243	4,302	2,087	528	542	461
Provision for taxation	758	685	401	-	-	-
Loans and borrowings	22,172	51,282	26,360	-	-	-
Loan from joint venture	-	-	14,491	-	-	14,491
Due to related party	10	10	-	-	-	-
Due to subsidiaries	-	-	-	65,765	59,792	2,218
	30,734	60,766	47,089	66,293	60,334	17,170
Total liabilities	**189,019**	**196,893**	**65,004**	**80,784**	**74,825**	**17,170**
Total equity and liabilities	**382,189**	**384,674**	**109,160**	**194,632**	**203,024**	**60,484**

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

(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

Group			
As at 31 March 2019		As at 31 March 2018	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
22,172	-	51,282	-

Amount repayable after one year

Group			
As at 31 March 2019		As at 31 March 2018	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
143,681	14,491	121,433	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 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 2019	As at 31 March 2018
	S$'000	S$'000
Cash at bank and cash on hand	3,532	13,507
Cash in pledge deposit	5,030	5,030
Cash in project accounts	519	629
	9,081	**19,166**

The use of the cash in project accounts is restricted to payments for development expenditure incurred for development properties. As at 31 March 2019, the Group has 2 property developments which are in the progress of obtaining the Certificate of Statutory Completion (CSC).

1(c) Consolidated cash flow statement

	Group	
	FY2019 S$'000	FY2018 (Restated) S$'000
Cash flows from operating activities		
Profit before tax	5,430	58,014
Adjustments:		
Depreciation of plant and equipment	695	703
Share of results of a joint venture	(46)	975
Share of results of an associate	(50)	(8)
Interest income	(40)	(18)
Interest expense	4,246	1,834
Fair valuation loss/(gain)on quoted securities	11	(11)
Fair valuation gain on unquoted securities	(547)	-
Gain from bargain purchase of subsidiaries	-	(61,315)
(Gain)/Loss from fair valuation on investment properties	(2,597)	380
Gain on disposal of plant and equipment	(18)	-
Plant and equipment written off	-	4
Allowance for doubtful debts	-	4,683
Operating cash flows before changes in working capital	7,084	5,241
Changes in working capital:		
Trade receivables and contract assets	2,347	6,160
Other receivables, deposits and prepayments	4	(4,120)
Properties under development	-	24,147
Trade payables	(1,333)	331
Deferred revenue	397	114
Other payables and accruals	(59)	48
Cash flows from operations	8,440	31,921
Interest paid	(4,246)	(1,834)
Interest received	40	5
Income tax paid	(617)	(934)
Net cash flows from operating activities	3,617	29,158

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

	Group	
	FY2019 S$'000	**FY2018 (Restated) S$'000**
Cash flows from investing activities		
Purchase of plant and equipment	(14)	(455)
Increase in amount due from related companies	(7,023)	(1,424)
Additions of investment properties	(660)	-
Net cash inflow from acquisition of a subsidiaries	-	10,582
Proceed from disposal of plant and equipment	857	-
Investment in unquoted securities	-	(1,512)
Net cash flows (used in)/from investing activities	(6,840)	7,191
Cash flows from financing activities		
Repayment of loans and borrowings	(6,862)	(20,369)
Net cash flows used in financing activities	(6,862)	(20,369)
Net (decrease)/increase in cash and cash equivalents	(10,085)	15,980
Cash and cash equivalents at beginning of financial year	19,166	3,186
Cash and cash equivalents at end of financial year	9,081	19,166

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 2017(As previously reported)	54,806	(1,446)	**53,360**
Adoption of SFRS(I) 15	-	(10,486)	**(10,486)**
Effect of changes in accounting policies	-	1,282	**1,282**
At 1 April 2017 (restated)	54,806	(10,650)	**44,156**
Profit net of tax , representing total comprehensive income for the financial period	-	58,331	**58,331**
Share issued for acquisition of subsidiary	85,294	-	**85,294**
At 31 March 2018	140,100	47,681	**187,781**
At 1 April 2018 (As previously reported)	140,100	50,329	**190,429**
Adoption of SFRS(I) 9	-	558	**558**
Adoption of SFRS(I) 15	-	(6,822)	**(6,822)**
Effect of changes in accounting policies	-	4,174	**4,174**
At 1 April 2018 (restated)	140,100	48,239	**188,339**
Profit net of tax, representing total comprehensive loss for the financial period	-	4,831	**4,831**
At 31 March 2019	140,100	53,070	**193,170**
Company			
At 1 April 2017	54,806	(11,492)	**43,314**
Loss net of tax, representing total comprehensive loss for the financial period	-	(409)	**(409)**
Share issued for acquisition of subsidiary	85,294	-	**85,294**
At 31 March 2018 and 1 April 2018	140,100	(11,901)	**128,199**
Adoption of SFRS(I) 9	-	558	**558**
At 1 April 2018 (restated)	140,100	(11,343)	**128,757**
Loss net of tax, representing total comprehensive loss for the financial period	-	(14,909)	**(14,909)**
At 31 March 2019	140,100	(26,252)	**113,848**

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	Number of Shares	Issued and paid-up share capital (S$'000)
Balance as at 31 March 2019 and 31 March 2018	**2,759,468,325**	**140,100**

There was no change in the Company's issued and paid-up share capital from 1 April 2018 to 31 March 2019.

There were no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 31 March 2019 and 31 March 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.

The total number of issued shares (excluding treasury shares) as at 31 March 2019 is 2,759,468,325 (31 March 2018 is 2,759,468,325 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.

Except as disclosed in Note 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.

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 following new accounting standards, amendments and interpretations to existing standards which are mandatory for accounting periods beginning on or after 1 April 2018.

Accounting for investment properties

With effect from this financial year, the Group changed its accounting policy with respect to the subsequent measurement of investment properties from cost to fair value model, with the changes in fair values recognized in the income statement. This change aligns the Group's accounting policy with industry practice in view of the completion of acquisition of the investment properties group ("PAI").

Adoption of SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is equivalent to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as 'Singapore Financial Reporting Standards (International)' ("SFRS(I)") hereinafter.

Subsequent to the last financial year end, as required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 April 2018 and issued its first set of financial information prepared under SFRS(I) for the financial year ended 31 March 2019.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group also concurrently applied SFRS(I) 15 *Revenue from Contracts with Customers*.

Adoption of SFRS (I) 9 Financial Instruments

In accordance with SFRS(I) 9 *Financial Instruments*, as at 1 April 2018, the Group had made the election to designate the investment in unquoted securities at fair value through profit and loss.

The Group is required to retrospectively apply all SFRS(I) effective at the end of the first SFRS(I) reporting period (financial year ending 31 March 2019), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. The adoption of SFRS(I) has an impact of S$558,000 effect on the financial statements under the investment in unquoted securities.

Adoption of SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 replaces the previous Singapore Financial Reporting Standards FRS 11 *Construction Contracts*, FRS 18 *Revenue*, and related interpretations.

Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of SFRS(I) 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Before 1 April 2018, finance costs for the Group's development properties are capitalised as incremental costs to complete the development projects and amortised to profit or loss as the related revenue are recognised. Under SFRS(I) 15, these costs are recognised using the percentage of sales method.

In accordance with the requirements of SFRS(I) 1, the Group adopted SFRS(I) 15 retrospectively.

The following reconciliations summarise the impact on adoption of SFRS(I) 15 as well as the effect of the change in accounting policy for investment properties on the Group's financial statements.

	As at 1 April 2017			
Statement of financial position (Group)	**As previously reported S$'000**	**Accounting for investment properties S$'000**	**Adoption of SFRS(I) 15 S$'000**	**As restated S$'000**
Investment properties	50,988	1,282	-	52,270
Investment in a joint venture	13,198	-	(8,878)	4.320
Total non-current assets	66,541	1,282	(8,878)	58,945
Properties under development	25,755	-	(1,608)	24,147
Total assets	118,364	1,282	(10,486)	109,160
Share capital	54,806	-	-	54,806
Revenue reserve	(1,446)	1,282	(10,486)	(10,650)
Total equity	53,360	1,282	(10,486)	44,156

	As at 31 March 2018			
Statement of financial position (Group)	**As previously reported S$'000**	**Accounting for investment properties S$'000**	**Adoption of SFRS(I) 15 S$'000**	**As restated S$'000**
Investment properties	331,916	4,174	-	336,090
Investment in a joint venture	9,946	-	(6,822)	3,124
Investment in unquoted securities	1,512	-	-	1,512
Total non-current assets	346,987	4,174	(6,822)	344,339
Total assets	387,322	4,174	(6,822)	384,674
Share capital	140,100	-	-	140,100
Revenue reserve	50,329	4,174	(6,822)	47,681
Total equity	190,429	4,174	(6,822)	187,781

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	
	FY2019	**FY2018 (Restated)**
Basic (cents)	0.18	4.12
Diluted (cents)	0.18	4.12
Profit attributable to owners of the Company (in S$'000)	4,831	58,331
Weighted average number of ordinary shares for basic and diluted earnings per share computation (in '000)	2,759,468	1,415,794

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.

The basic and diluted earnings per share are the same for FY2019 and FY2018 as the Company has no dilutive equity investments as at 31 March 2019 and 31 March 2018.

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 2019	**As at 31 March 2018**
Net asset value per ordinary share (cents) - Group	7.00	6.80
Net asset value per ordinary share (cents) - Company	4.13	4.65

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 2019 and 31 March 2018 respectively; and (ii) 2,759,468,325 ordinary shares as at 31 March 2019 and 31 March 2018 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.

Consolidated income statement

The Group	**FY2019 S$'000**	**%**	**FY2018 S$'000**	**%**
Type of Revenue:				
Sale of development properties (percentage of completion)	-	-	6,670	43.6
Income from Serviced apartment	4,796	34.1	5,268	34.4
Rental Income				
- Residential units[(1)]	1,200	8.5	476	3.1
- Commercial units[(1)]	8,080	57.4	2,889	18.9
Total Revenue	14,076	100.0	15,303	100.0
Cost of Sales:				
Sale of development properties (percentage of completion)	-	-	7,598	77.0
Serviced apartment	2,287	100.0	2,270	23.0
Total Cost of Sales	2,287	100.0	9,868	100.0

*Notes: [(1)] 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 a 12 months period for FY2019 and for a period from 16 November 2017 to 31 March 2018 for FY2018.*

Revenue

The Group's revenue in FY2019 comprised income earned from serviced apartment and rental income. Rental income is derived from the leasing of residential units and commercial units.

The Group's revenue decreased by S$1.23 million or 8.0%, from S$15.30 million in FY2018 to S$14.08 million in FY2019. The decrease was mainly due to no revenue contribution from the sale of development properties during FY2019 as all the development properties have obtained Temporary Occupancy Permit ("TOP") in FY2018. The decrease was partially offset by an increase in rental income from the 14 residential units, 2 retail investment properties located along Balestier Road and a commercial office building, MacDonald House.

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 2019.

Project Name	Type of Development	Unit Sold (%)	Status
1. Metro Loft Residences	Residential	100%	TOP obtained
2. Mayfair Residences	Residential	100%	TOP obtained
3. Pavilion Square *	Residential / Commercial	100% / 100%	TOP obtained on 8 October 2018

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

Cost of sales and Gross profit

The Group's cost of sales decreased by S$7.58 million or 76.8% from S$9.87 million in FY2018 to S$2.29 million in FY2019. The cost of sales was mainly associated with the cost incurred to operate the serviced apartment. The decrease was mainly due to no cost of sales contribution from the sale of development properties during FY2019 as all the development properties have obtained Temporary Occupancy Permit ("TOP") in FY2018.

Gross profit margin increased from 35.5% in FY2019 to 83.8% in FY2018. The improvement in gross profit margin was mainly due to the higher margin contribution from the property investment segment.

Interest income

Interest income in FY2019 mainly consists of interest received from fixed deposit placed in bank. The increase was mainly due to a longer period of the fixed deposit being placed with the bank during the financial year.

Other income

Other income in FY2019 mainly consists of fair valuation gain from the investment properties of S$2.60 million, income from the performance bond of S$0.82 million and government incentives. Income from the performance bond is the amount recovered for the development project, Mayfair Residences due to the main contractor's inability to deliver work in accordance to the contract terms.

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Other income decreased by S$57.32 million from S$61.59 million in FY2018 to S$4.27 million in FY2019. The decrease was mainly due to a gain of S$61.31 million from the bargain purchase of PAI Group which was recognized in FY2018. The gain from bargain purchase was arose from the differences in fair valuation of purchase consideration against the fair value of assets and liabilities of PAI Group as at the completion date on 16 November 2017.

Marketing and distribution expenses

Marketing and distribution expenses increased by S$0.61 million from S$0.02 million in FY2018 S$0.63 million in FY2019 mainly due to commission expenses incurred and paid to the 3rd party property agents for sourcing of new tenants for the commercial office building, Macdonald House.

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$0.33 million or 5.3% from S$6.21 million in FY2018 to S$5.88 million in FY2019 mainly due to the decrease in employee benefits expense as there was a reduction in staff headcount during the financial year.

Finance costs

The increase in finance costs of S$2.42 million from S$1.84 million in FY2018 to S$4.25 million in FY2019 was mainly due to the contribution of the interest expense from the newly acquired PAI Group amounting to S$3.50 million.

Share of result of an associate

The increase in share of result of an associate by S$0.04 million in FY2019 as compared to FY2018 was mainly due to the recognition of performance revenue for the real estate fund managed by the associate company.

Share of results of a joint venture

Share of results of a joint venture increased by S$1.02 million from the share of losses of S$0.97 million in FY2018 to share of profits of S$0.05 million in FY2019 was mainly due to the recognition of revenue based on the percentage of completion for Pavilion Square project during the financial year.

Income tax credit/(expense)

The increase in income tax expense of S$0.59 million in FY2019 as compared to a tax credit of S$0.32 million in FY2018 was mainly due to the higher taxable profit during the financial year as compared to a one off non-taxable gain from the bargain purchase of PAI Group in last financial year.

As a result of the above, the Group recorded a net profit attributable to owners of the Company of S$4.83 million in FY2019 as compared to S$58.33 million in FY2018.

Balance Sheets

The financial position of the Group remained strong with net assets of S$193.17 million as at 31 March 2019. The Group's cash and cash equivalents stood at S$9.08 million as at 31 March 2019 as compared to S$19.17 million as at 31 March 2018. The decrease in cash and cash equivalents was mainly due to the repayment of loans and borrowings as well as payment for operating expenses during the financial year.

Assets

Total assets stood at S$382.19 million as at 31 March 2019 as compared to S$384.67 million as at 31 March 2018.

The decrease of S$2.48 million was mainly due to the decrease in (i) plant and equipment due to the depreciation charges and disposal during the financial year, (ii) the decrease in trade receivables due to the collection of the amount from buyers and (iii) the decrease in cash and cash equivalents which was mainly due to the repayment of loans and borrowings.

However, the decrease was partially offset by the increase in (i) amount due from related companies as a result of non interest-bearing short term advances extended to related companies, (ii) the increase in the fair value gain of investment in unquoted securities for a property development project and (ii) the increase in the fair value gain of investment properties.

Liabilities

Total liabilities stood at S$189.02 million as at 31 March 2019 as compared to S$196.89 million as at 31 March 2018.

The decrease of S$7.87 million was mainly due to the decrease in (i) loans and borrowings due to the principal repayment as well as repayment to trade payable during the financial year.

Consolidated cash flow statement

The Group's cash and cash equivalents decreased by S$10.09 million from S$19.17 million as at 31 March 2018 to S$9.08 million as at 31 March 2019 mainly due to the following:

1) Net cash flows from operating activities of S$3.62 million was mainly due to amount received from trade receivables and contract assets.

2) Net cash flows used in investing activities of S$6.84 million was mainly due to non-interest-bearing short-term advances made to a related company and additional enhancement cost spent on existing investment properties; this amount was partially offset by the proceeds from the disposal of plant and equipment during the financial year.

3) Net cash flows used in financing activities of S$6.86 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 26 April 2019, the private residential property index drop 1.0 points or 0.7% in 1Q 2019 compared to the last quarter. This is the second quarter of price decrease since the improvement in market conditions from 3Q2018. 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.

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 Pollux Alpha Investments Ltd will widen the revenue streams 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 2019 as cashflows are being directed to fund the Group's operating activities.

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 2019.

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
FY2019

	Property Investment	Property Development	Corporate	Total
	S$'000	**S$'000**	**S$'000**	**S$'000**
External sales	14,076	-	-	**14,076**
Results:				
Interest income	40	-	-	**40**
Other income	2,640	836	797	**4,273**
Depreciation	691	-	4	**695**
Finance cost	4,251	1	1	**4,253**
Share of results of joint venture	-	46	-	**46**
Share of results of associate	-	-	50	**50**
Income tax expense	594	5	-	**599**
Segment profit/(loss)	5,674	(577)	(266)	**4,831**
Investment in a joint venture	-	2,986	-	**2,986**
Investment in an associate	-	-	905	**905**
Segment assets	316,994	2,281	59,023	**378,298**
Total Assets				**382,189**
Provision for taxation	737	21	-	**758**
Deferred tax liabilities	113	-	-	**113**
Segment liabilities	75,063	4,814	108,271	**188,148**
Total Liabilities				**189,019**

Business Segments
FY2018 (Restated)

	Property Investment	Property Development	Corporate	Total
	S$'000	**S$'000**	**S$'000**	**S$'000**
External sales	8,633	6,670	-	**15,303**
Results:				
Interest income	2	3	13	**18**
Other income	2,160	10	59,423	**61,593**
Depreciation	696	-	7	**703**
Allowance for doubtful debts for other receivables	140	4,543	-	**4,683**
Finance cost	1,822	15	1	**1,838**
Share of results of joint venture	-	(975)	-	**(975)**
Share of results of associate	-	-	8	**8**
Income tax expense	209	108	-	**317**
Segment profit/(loss)	1,114	(3,463)	60,680	**58,331**
Investment in a joint venture	-	3,124	-	**3,124**
Investment in an associate	-	-	855	**855**
Segment assets	336,391	10,138	34,166	**380,695**
Total Assets				**384,674**
Provision for taxation	664	21	-	**685**
Deferred tax liabilities	203	-	-	**203**
Segment liabilities	99,854	3,096	93,055	**196,005**
Total Liabilities				**196,893**

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:

	FY2019 (S$'000)	FY2018 Restated (S$'000)	Change %
a) Sales reported for the first half year	6,521	3,876	68.2
b) Operating loss after tax for the first half year	(1,746)	(2,021)	(13.6)
c) Sales reported for the second half year	7,555	11,427	(33.9)
d) Operating profit after tax for the second half year	6,577	60,352	(89.1)

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 declared and paid for both FY2019 and FY2018.

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 2019.

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

30 May 2019