



**Pollux Properties Ltd. and its subsidiaries**

Company Registration No. 199904729G

**Pollux Properties Ltd. and its subsidiaries**

Unaudited condensed interim consolidated financial statements

30 June 2021

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**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 #21-00 AIA Tower Singapore 048542, telephone (65) 62323210.*

**Pollux Properties Ltd. and its subsidiaries**

**Index**

1. Condensed interim consolidated statement of comprehensive income	3
2. Condensed interim statement of financial position	5
3. Condensed interim consolidated statement of changes in equity	6
4. Condensed Interim consolidated statement of cash flows	7
5. Notes to the condensed interim financial information	8
6. Other information required by Listing Rule Appendix 7C	19

**Pollux Properties Ltd. and its subsidiaries**

**Condensed interim consolidated statement of comprehensive income  
For the six months ended 30 June 2021**

	Note	30.6.2021 (Unaudited) \$	30.6.2020 (Unaudited) \$	Change %
<b>Revenue</b>	4	4,518,868	5,902,874	(23.4)
Cost of sales		(704,942)	(855,437)	(17.6)
<b>Gross profit</b>		3,813,926	5,047,437	(24.4)
<b>Other items of income</b>				
Interest income		41,719	1,774	>100
Other income		72,290	284,366	(74.6)
<b>Other items of expense</b>				
Marketing and distribution		(325,514)	(20,000)	>100
General and administrative		(1,952,848)	(3,110,578)	(37.2)
Finance costs		(960,868)	(1,718,726)	(44.1)
Share of results of an associate, net of tax		–	(90,811)	N.M
Share of results of a joint venture, net of tax		(17,190)	338,856	N.M
<b>Profit before tax</b>		671,515	732,318	(8.3)
Income tax expense	6	(852,219)	(1,127,243)	(24.4)
<b>Loss for the financial period</b>		(180,704)	(394,925)	(54.2)
<b>Attributable to: Owners of the Company</b>				
Loss for the financial period attributable to owners of the Company		(180,704)	(394,925)	(54.2)

N.M - Not meaningful

**Pollux Properties Ltd. and its subsidiaries**

**Condensed interim consolidated statement of comprehensive income  
For the six months ended 30 June 2021**

---

	<b>30.6.2021</b> (Unaudited) \$	<b>30.6.2020</b> (Unaudited) \$
<b>Loss for the financial period</b>	(180,704)	(394,925)
Other comprehensive income for the financial period, net of tax	–	–
<b>Total comprehensive income for the financial period</b>	<u>(180,704)</u>	<u>(394,925)</u>
<b>Attributable to:</b>		
<b>Owners of the Company</b>		
Total comprehensive income for the financial period attributable to owners of the Company	<u>(180,704)</u>	<u>(394,925)</u>

**Pollux Properties Ltd. and its subsidiaries**

**Condensed interim consolidated statement of financial position**

	Note	Group		Company	
		30.6.2021 (Unaudited) \$	31.12.20 (Audited) \$	30.6.2021 (Unaudited) \$	31.12.20 (Audited) \$
<b>Non-current assets</b>					
Plant and equipment		72,458	53,587	–	–
Investment properties	13	336,563,597	336,400,000	–	–
Investment in subsidiaries		–	–	142,058,293	142,058,293
Investment in a joint venture		2,771,906	2,789,096	1	1
Investment securities		502,881	502,881	502,881	502,881
		<u>339,910,842</u>	<u>339,745,564</u>	<u>142,561,175</u>	<u>142,561,175</u>
<b>Current assets</b>					
Trade receivables		395,664	610,502	–	–
Contract assets		1,628,192	1,628,192	–	–
Other receivables and deposits		447,059	213,710	5,331	3,381
Prepaid operating expenses		48,920	25,550	–	–
Due from subsidiaries		–	–	23,362,724	22,742,437
Due from related companies		15	15	–	–
Investment securities		355,181	355,181	–	–
Cash and cash equivalents	8	27,334,893	31,640,476	20,059,896	21,250,766
		<u>30,209,924</u>	<u>34,473,626</u>	<u>43,427,951</u>	<u>43,996,584</u>
<b>Total assets</b>		<u>370,120,766</u>	<u>374,219,190</u>	<u>185,989,126</u>	<u>186,557,759</u>
<b>Equity and liabilities</b>					
<b>Current liabilities</b>					
Trade payables		2,634,444	2,294,874	–	–
Contract liabilities		205,274	257,857	–	–
Other payables and accruals		2,739,145	3,700,177	377,111	583,698
Provision for taxation		476,142	772,756	–	–
Loans and borrowings	14	28,535,419	30,882,320	–	–
Due to subsidiaries		–	–	74,267,475	73,322,984
Due to related parties		51	51	–	–
		<u>34,590,475</u>	<u>37,908,035</u>	<u>74,644,586</u>	<u>73,906,682</u>
<b>Net current liabilities</b>		<u>(4,380,551)</u>	<u>(3,434,409)</u>	<u>(31,216,635)</u>	<u>(29,910,098)</u>
<b>Non-current liabilities</b>					
Deferred tax liabilities		8,336	8,336	–	–
Loan from joint venture		3,146,913	3,747,073	3,146,913	3,747,073
Loans and borrowings	14	136,945,237	136,945,237	–	–
		<u>140,100,486</u>	<u>140,700,646</u>	<u>3,146,913</u>	<u>3,747,073</u>
<b>Total liabilities</b>		<u>174,690,961</u>	<u>178,608,681</u>	<u>77,791,499</u>	<u>77,653,755</u>
<b>Net assets</b>		<u>195,429,805</u>	<u>195,610,509</u>	<u>108,197,627</u>	<u>108,904,004</u>
<b>Equity attributable to owners of the Company</b>					
Share capital	12	140,099,994	140,099,994	140,099,994	140,099,994
Revenue reserve		55,329,811	55,510,515	(31,902,367)	(31,195,990)
<b>Total equity</b>		<u>195,429,805</u>	<u>195,610,509</u>	<u>108,197,627</u>	<u>108,904,004</u>
<b>Total equity and liabilities</b>		<u>370,120,766</u>	<u>374,219,190</u>	<u>185,989,126</u>	<u>186,557,759</u>

**Pollux Properties Ltd. and its subsidiaries**

**Condensed interim consolidated statement of changes in equity  
For the six months ended 30 June 2021**

	<u>Attributable to owners of the Company</u>		<b>Total equity</b> \$
	<b>Share capital</b> \$	<b>Revenue reserve</b> \$	
<b>Group</b>			
As at 1 January 2021	140,099,994	55,510,515	195,610,509
Loss net of tax, representing total comprehensive income for the financial period	–	(180,704)	(180,704)
At 30 June 2021	140,099,994	55,329,811	195,429,805

	<u>Attributable to owners of the Company</u>		<b>Total equity</b> \$
	<b>Share capital</b> \$	<b>Revenue reserve</b> \$	
<b>Group</b>			
As at 1 January 2020	140,099,994	56,858,903	196,958,897
Loss net of tax, representing total comprehensive income for the financial period	–	(394,925)	(394,925)
At 30 June 2020	140,099,994	56,463,978	196,563,972

	<b>Share capital</b> \$	<b>Revenue reserve</b> \$	<b>Total equity</b> \$
	<b>Company</b>		
As at 1 January 2021	140,099,994	(31,195,990)	108,904,004
Loss net of tax, representing total comprehensive income for the financial period	–	(706,377)	(706,377)
At 30 June 2021	140,099,994	(31,902,367)	108,197,627

	<b>Share capital</b> \$	<b>Revenue reserve</b> \$	<b>Total equity</b> \$
	<b>Company</b>		
As at 1 January 2020	140,099,994	(27,130,006)	112,969,988
Loss net of tax, representing total comprehensive income for the financial period	–	(1,112,380)	(1,112,380)
At 30 June 2020	140,099,994	(28,242,386)	111,857,608

**Pollux Properties Ltd. and its subsidiaries**

**Condensed interim consolidated statement of cash flows  
For the six months ended 30 June 2021**

	Note	30.6.2021 (Unaudited) \$	30.6.2020 (Unaudited) \$
<b>Cash flows from operating activities</b>			
Profit before tax		671,515	732,318
Adjustments for:			
Depreciation of plant and equipment		11,235	17,671
Interest income		(41,719)	(1,774)
Fair value loss on investment properties		–	1,635,000
Fair value loss on quoted equity securities		–	149,400
Interest expense		955,837	1,718,726
Share of results of a joint venture		17,190	(338,856)
Share of results of an associate		–	90,811
<b>Operating cash flows before changes in working capital</b>		<b>1,614,058</b>	<b>4,003,296</b>
Changes in working capital:			
Trade receivables and contract assets		214,838	(392,173)
Other receivables, deposits and prepayments		(256,719)	15,977
Trade payables		339,570	181,793
Contract liabilities		(52,583)	(204,735)
Other payables and accruals		(961,032)	(641,060)
<b>Cash flows from operations</b>		<b>898,132</b>	<b>2,963,098</b>
Interest received		41,719	1,774
Interest paid		(955,837)	(1,718,726)
Income taxes paid		(1,148,833)	(41,518)
<b>Net cash flows (used in)/from operating activities</b>		<b>(1,164,819)</b>	<b>1,204,628</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		(30,106)	–
Additions to investment properties		(163,597)	–
Return of capital from investment in unquoted equity securities		–	734,771
Increase in amount due from related companies		–	(8,500,340)
<b>Net cash flows used in investing activities</b>		<b>(193,703)</b>	<b>(7,765,569)</b>
<b>Cash flows from financing activities</b>			
Repayment of loan from joint venture		(600,160)	–
Proceeds from credit loan facility		–	10,000,000
Repayment of loans and borrowings		(2,346,901)	(2,692,796)
<b>Net cash flows (used in)/generated from financing activities</b>		<b>(2,947,061)</b>	<b>7,307,204</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(4,305,583)</b>	<b>746,263</b>
Cash and cash equivalents at beginning of financial period		31,640,476	9,738,077
<b>Cash and cash equivalents at end of financial period</b>	8	<b>27,334,893</b>	<b>10,484,340</b>

## **Pollux Properties Ltd. and its subsidiaries**

### **Notes to the condensed interim financial information For the six months ended 30 June 2021**

---

#### **1. Corporate information**

The condensed interim consolidated financial statements of Pollux Properties Ltd. and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors on 12 August 2021.

Pollux Properties Ltd. (the “Company”) is a limited company, incorporated and domiciled in Singapore, whose shares are publicly traded. The registered office and principal place of business is at 554 Havelock Road, Singapore 169639.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries, associate and joint venture are leasing of its residential and commercial properties and serviced apartment and provision of management and advisory services under its fund management segment

#### **2. Basis of preparation and changes to the Group’s accounting policies**

##### **2.1 Basis of preparation**

The condensed interim consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting*. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors considered that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated statements as at 31 December 2020.

The condensed interim financial statements are presented in Singapore dollar which is the Group’s functional currency.

##### **2.2 New and amended standards adopted by the Group**

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

##### **2.3 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.



**2.3 Use of judgements and estimates (cont'd)**

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There were no significant judgements made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next interim period.

**3. Seasonal operations**

The Group's revenue streams are derived income from serviced apartment, income from management and advisory services under fund management segment, rental income under property investment segment. Accordingly, the Group is able to negate the impact from seasonality as seasonal declines from a particular revenue stream would be partially offset by other less affected revenue streams. As a result, the Group was not materially affected by seasonal or cyclical factors during the financial period.

**Pollux Properties Ltd. and its subsidiaries**

**Notes to the condensed interim financial information  
For the six months ended 30 June 2021**

**4. Revenue from contracts with customers**

All of the Group's revenue streams are derived from external customers. Set out below is the disaggregation of the Group's revenue from contracts with customers:

	<b>Serviced Apartment</b>		<b>Investment properties*</b>		<b>Fund management</b>		<b>Total revenue</b>	
	<b>30.6.2021</b>	<b>30.6.2020</b>	<b>30.6.2021</b>	<b>30.6.2020</b>	<b>30.6.2021</b>	<b>30.6.2020</b>	<b>30.6.2021</b>	<b>30.6.2020</b>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Primary geographical markets</b>								
Singapore	1,125,929	1,623,347	3,382,939	4,279,527	10,000	–	4,518,868	5,902,874
<b>Major product or service lines</b>								
Residential properties	–	–	620,964	609,439	–	–	620,964	609,439
Commercial properties	–	–	2,761,975	3,670,089	–	–	2,761,975	3,670,089
Serviced apartment operation income	1,125,929	1,623,347	–	–	–	–	1,125,929	1,623,347
Management and advisory fees	–	–	–	–	10,000	–	10,000	–
	1,125,929	1,623,347	3,382,939	4,279,527	10,000	–	4,518,868	5,902,874
<b>Timing of transfer of goods or services</b>								
At a point in time	–	–	–	–	10,000	–	10,000	–
Over time	1,125,929	1,623,347	3,382,939	4,279,527	–	–	4,508,868	5,902,874
	1,125,929	1,623,347	3,382,939	4,279,527	10,000	–	4,518,868	5,902,874

\* Excluding serviced apartment

Pollux Properties Ltd. and its Subsidiaries

Notes to the condensed interim financial information  
For the six months ended 30 June 2021

5. Segment Information

	Property investment		Property development		Corporate		Fund management		Total	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020	30.6.2021	30.6.2020	30.6.2021	30.6.2020	30.6.2021	30.6.2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue:</b>										
External customers	4,508,868	5,902,874	–	–	–	–	10,000	–	4,518,868	5,902,874
Inter-segment	–	–	–	–	–	–	–	–	–	–
Total revenue	4,508,868	5,902,874	–	–	–	–	10,000	–	4,518,868	5,902,874
<b>Results:</b>										
Interest income	4,047	1,774	–	–	37,672	–	–	–	41,719	1,774
Other income	44,326	234,794	–	–	26,560	49,572	1,404	–	72,290	284,366
Depreciation	11,235	17,671	–	–	–	–	–	–	11,235	17,671
Interest expense	955,837	1,718,724	–	1	–	1	–	–	955,837	1,718,726
Share of results of joint venture	–	–	(17,190)	338,856	–	–	–	–	(17,190)	338,856
Share of results of associate	–	–	–	–	–	(90,811)	–	–	–	(90,811)
Income tax expense	305,756	1,072,042	546,463	55,201	–	–	–	–	852,219	1,127,243
Segment profit/(loss)	1,162,608	(1,113,411)	(577,528)	(33,683)	(716,413)	752,169	(49,371)	–	(180,704)	(374,925)
<b>Assets</b>										
Investment in a joint venture	–	–	2,771,906	2,904,772	–	–	–	–	2,771,906	2,904,772
Additions to non-current assets	–	–	–	–	–	844,207	–	–	–	844,207
Segment assets	343,363,554	349,514,400	1,805,087	2,159,112	21,364,325	30,517,758	815,894	–	367,348,860	382,191,270
Total assets	343,363,554	349,514,400	4,576,993	5,063,884	21,364,325	31,361,965	815,894	–	370,120,766	385,940,249
<b>Liabilities</b>										
Provision for taxation	202,942	1,148,775	273,200	–	–	–	–	–	476,142	1,148,775
Deferred tax liabilities	8,336	8,336	–	–	–	–	–	–	8,336	8,336
Segment liabilities	149,265,360	151,409,464	3,902,677	4,053,461	21,014,673	32,756,241	23,773	–	174,206,483	188,219,166
Total liabilities	149,476,638	152,566,575	4,175,877	4,053,461	21,014,673	32,756,241	23,773	–	174,690,961	189,376,277

## Pollux Properties Ltd. and its Subsidiaries

### Notes to the condensed interim financial information For the six months ended 30 June 2021

---

#### 6. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<b>Group</b>	
	<b>30.6.2021</b>	<b>30.6.2020</b>
	\$	\$
<b>Income taxes</b>		
Current income tax expense	852,219	1,231,823
Deferred income tax expense relating to origination and reversal of temporary differences	–	(104,580)
<b>Income tax expense recognised in profit or loss</b>	<u>852,219</u>	<u>1,127,243</u>

#### 7. Financial assets and financial liabilities

Set out below, is an overview of financial assets, other than cash and short-term deposits, held by the Group as at 30 June 2021 and 31 December 2020:

	<b>Group</b>	
	<b>30.6.2021</b>	<b>31.12.2020</b>
	\$	\$
<b>Debt instruments at amortised cost</b>		
Trade receivables	395,664	610,502
Other receivables and deposits	442,519	213,710
Due from related companies	15	15
<b>Equity instruments at fair value through profit or loss</b>		
Quoted equity securities	355,181	355,181
Unquoted equity securities	502,881	502,881
<b>Total</b>	<u>1,696,260</u>	<u>1,682,829</u>
<b>Total current</b>	1,193,379	1,179,408
<b>Total non-current</b>	502,881	502,881

**Pollux Properties Ltd. and its Subsidiaries**

**Notes to the condensed interim financial information  
For the six months ended 30 June 2021**

Set out below is an overview of financial liabilities held by the Group as at 30 June 2021 and 31 December 2020:

	<b>Group</b>	
	<b>30.6.2021</b>	<b>31.12.2020</b>
	\$	\$
<b>Financial liabilities at amortised cost</b>		
Trade payables	2,634,444	2,294,874
Other payables and accruals	2,739,145	3,434,549
Interest bearing loans and borrowings, current	28,535,419	30,882,320
Interest bearing loans and borrowings, non-current	136,945,237	136,945,237
Loan from joint venture	3,146,913	3,747,073
Due to related parties	51	51
<b>Total</b>	<b>174,001,209</b>	<b>177,304,104</b>
<b>Total current</b>	<b>33,909,059</b>	<b>36,611,794</b>
<b>Total non-current</b>	<b>140,092,150</b>	<b>140,692,310</b>

**Fair values**

Set out below, is a comparison of the carrying amounts and fair values of financial assets and financial liabilities as at 30 June 2021 and 31 December 2020:

	<b>30 June 2021</b>		<b>31 December 2020</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
	\$	\$	\$	\$
<b>Financial assets</b>				
Quoted equity securities	355,181	355,181	355,181	355,181
Unquoted equity securities	502,881	502,881	502,881	502,881
<b>Total</b>	<b>858,062</b>	<b>858,062</b>	<b>858,062</b>	<b>858,062</b>
	<b>30 June 2021</b>	<b>Fair value</b>	<b>31 December 2020</b>	<b>Fair value</b>
	\$	\$	\$	\$
<b>Financial liabilities</b>				
Interest bearing loans and borrowings	165,480,656	165,480,656	167,827,557	167,827,557
<b>Total</b>	<b>165,480,656</b>	<b>165,480,656</b>	<b>167,827,557</b>	<b>167,827,557</b>

**Pollux Properties Ltd. and its Subsidiaries**

**Notes to the condensed interim financial information  
For the six months ended 30 June 2021**

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities as at 30 June 2021:

	<b>Group 30.6.2021</b>			
	<b>Quoted prices in active markets for identical instruments (Level 1) \$</b>	<b>Significant observable inputs other than quoted prices (Level 2) \$</b>	<b>Significant unobservable inputs (Level 3) \$</b>	<b>Total \$</b>
<b>Financial assets:</b>				
<u>Equity securities at fair value</u>				
<u>through profit or loss</u>				
Quoted equity securities	355,181	–	–	355,181
Unquoted equity securities	–	–	502,881	502,881

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the six months ended 30 June 2021.

***Fair value hierarchy***

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

Set out below are the significant unobservable inputs to valuation as at 30 June 2021:

Description	Valuation techniques	Unobservable inputs	Range	Sensitivity of the input to fair value
Investment in equity securities (unquoted)	Discounted cash flow basis	Capitalisation rate	0% (2020: 0%)	Increase/(decrease) in the capitalisation rate decrease/(increase) the fair value

## Pollux Properties Ltd. and its Subsidiaries

### Notes to the condensed interim financial information For the six months ended 30 June 2021

---

#### 8. Cash and short-term deposits

For the purpose of the condensed interim statement of cash flows, cash and cash equivalents are comprised of the following:

	<b>Group</b>	
	<b>30.6.2021</b>	<b>31.12.2020</b>
	(Unaudited)	(Audited)
	\$	\$
Cash at banks and in hand	2,304,893	6,610,476
Pledged bank deposits	5,030,000	5,030,000
Short term deposits	20,000,000	20,000,000
<b>Total cash and cash equivalents</b>	<b>27,334,893</b>	<b>31,640,476</b>

#### 9. Commitments

##### *Operating lease commitments – as lessor*

The Group has entered into various operating lease agreements for its investment properties. These non-cancellable leases have remaining lease terms of between 1 to 3 years.

Future minimum rentals receivables under non-cancellable operating leases as at 30 June 2021 and 31 December 2020 are as follows:

	<b>Group</b>	
	<b>30.6.2021</b>	<b>31.12.2020</b>
	(Unaudited)	(Audited)
	\$	\$
Not later than 1 year	6,700,498	4,025,377
Later than 1 year but not later than 5 years	11,773,673	3,639,998
	<b>18,474,171</b>	<b>7,665,375</b>

## Pollux Properties Ltd. and its Subsidiaries

### Notes to the condensed interim financial information For the six months ended 30 June 2021

---

#### 10. Contingencies

##### *Contingent liability*

###### *Litigation*

Pursuant to the sale of Builders Shop Pte. Ltd (“BSPL”) to Lorenzo International Limited (“Lorenzo”) in the financial year ended 31 March 2012, the Company had agreed to indemnify Lorenzo for any “actual and proven damages” arising from the construction projects undertaken prior to the disposal of BSPL.

In the financial year ended 31 March 2014, Lorenzo made an indemnity claim for legal costs associated with a construction project that was under litigation with the developer. The Company mistakenly paid Lorenzo \$374,868 for the legal fees incurred and recorded the legal fees as an expense in the income statement. During the financial year 31 March 2015, the Company paid additional legal fees of \$325,000 to Lorenzo. These additional legal fees were recorded as other receivables in the balance sheet. The Company has since sought independent advice, which opined that the indemnity does not expressly cover legal and expert fees incurred for litigation. Accordingly, the Company believes that there are reasonable grounds that the legal fees paid to Lorenzo are recoverable, and as such, did not expense the legal fees during the financial year ended 31 March 2015.

In the financial year ended 31 March 2019, the Company had received a letter of demand from Lorenzo dated 14 March 2019 claiming for \$5 million. The claim is subjected to the deduction of the rental deposit of \$1,675,000 and payment of legal fees made on behalf of Lorenzo of \$699,868.

On 13 April 2021, the Company had reached a settlement agreement (“agreement”) with BSPL and Lorenzo. The agreement is in full and final settlement of whereby BSPL, Lorenzo and the Company mutually releases and forever discharges each party of all its actions, claims, rights, demands and set-offs. The Company has filed a Notice of Discontinuance of the suit in light of the agreement. This litigation suit is deemed concluded.

###### *Guarantees*

As at 30 June 2021, corporate guarantees issued to banks by the Company in respect of banking facilities extended to subsidiaries amounted to \$175,001,291 (31 December 2020: \$175,001,291) of which the amounts utilised by the subsidiaries was \$149,421,842 (31 December 2020: \$149,421,842).



**Pollux Properties Ltd. and its Subsidiaries**

**Notes to the condensed interim financial information  
For the six months ended 30 June 2021**

---

**11. Related party transactions**

(a) *Sale and purchase of services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place during the financial year at terms agreed between the parties:

	<b>Group</b>	
	<b>30.6.2021</b>	<b>30.6.2020</b>
	(Unaudited)	(Unaudited)
	\$	\$
Legal fees paid to a firm related to a director	16,000	–

(b) *Compensation of key management personnel*

	<b>Group</b>	
	<b>30.6.2021</b>	<b>30.6.2020</b>
	(Unaudited)	(Unaudited)
	\$	\$
Short-term employee benefits	205,048	166,160
Central Provident Fund contributions	6,120	6,120
Other short-term benefits	72,000	60,000
<b>Total compensation paid to key management personnel</b>	<b>283,168</b>	<b>232,280</b>
Comprised amounts paid to:		
Directors of the Company	216,208	170,000
Other key management personnel	66,960	62,280
	<b>283,168</b>	<b>232,280</b>

**12. Share capital**

<b>Company</b>	<b>30.6.2021</b>		<b>31.12.2020</b>	
	<b>No. of shares</b>	<b>\$</b>	<b>No. of shares</b>	<b>\$</b>
<b>Issued and fully paid ordinary shares</b>				
Beginning and end of financial period	2,759,468,325	140,099,994	2,759,468,325	140,099,994

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

## Pollux Properties Ltd. and its Subsidiaries

### Notes to the condensed interim financial information For the six months ended 30 June 2021

---

#### 13. Investment properties

	Group	
	30.6.2021	31.12.2020
	\$	\$
Beginning of the financial period	336,400,000	338,535,000
Net loss from fair value adjustments recognised in profit or loss	–	(2,135,000)
Additions to investment properties	163,597	–
End of the financial period	<u>336,563,597</u>	<u>336,400,000</u>

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

#### Valuation of investment properties

The Group's policy is for investment properties to be measured at fair value for which the Group engages independent valuers at the end of the year. The Group did not engage an independent valuer to determine the fair value of the properties as at 30 June 2021. Management had considered and assessed the underlying factors that could have a material impact to the fair value of the investment properties since the last valuations performed as at 31 December 2020. The fair value of the investment properties as at 30 June 2021 did not differ materially from 31 December 2020.

#### 14. Loans and borrowings

	Group	
	30.6.2021	31.12.2020
	\$	\$
Amount repayable within one year	28,535,419	30,882,320
Amount repayable after one year	136,945,237	136,945,237
Total loans and borrowings	<u>165,480,656</u>	<u>167,827,557</u>

There are no unsecured loans for the financial period ended 30 June 2021 and 31 December 2020. The Group's loans are generally secured by the following:

- (i) First legal mortgage over the related investment properties;
- (ii) Corporate guarantee by the Company; and
- (iii) Legal assignment over all rights, titles, and interests in the related tenancy agreements, current and future rental income relating to the specified property pledged in respect of the investment properties.

#### 15. Subsequent events

There are no known subsequent events which led to adjustments to this set of interim financial statements.

## Pollux Properties Ltd. and its Subsidiaries

### Other Information Required by Listing Rule Appendix 7C For the six months ended 30 June 2021

---

#### Other Information Required by Listing Rule Appendix 7C

**1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buybacks, 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 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 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. 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.**

<b>Issued and paid-up ordinary shares</b>	<b>Number of Shares</b>	<b>Issued and paid-up share capital (S\$'000)</b>
Balance as at 30 June 2021 and 31 December 2020	<b>2,759,468,325</b>	<b>140,100</b>

There was no change in the Company's issued and paid-up share capital from 1 January 2021 to 30 June 2021.

There were no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 30 June 2021 and 31 December 2020.

**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 June 2021 ("**1H2021**") is 2,759,468,325 shares (30 June 2020 ("**1H2020**"): 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 or practice.**

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the auditors of the Company.

**Pollux Properties Ltd. and its Subsidiaries**

**Other Information Required by Listing Rule Appendix 7C  
For the six months ended 30 June 2021**

---

**3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

**This is not required for any audit issue that is a material uncertainty related to going concern.**

Not applicable. The Group's latest audited financial statements for the financial year ended 31 December 2020 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

**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 financial information has been prepared in accordance with the same accounting policies and methods of computation adopted in the most recent audited annual financial statements.

**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.**

Not applicable.

**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.**

	<b>Group</b>	
	<b>1H2021</b>	<b>1H2020</b>
Basic (cents)	(0.007)	(0.01)
Diluted (cents)	(0.007)	(0.01)
Loss attributable to owners of the Company (in S\$'000)	(181)	(395)
Weighted average number of ordinary shares for basic and diluted earnings per share computation (in '000)	2,759,468	2,759,468

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 period.

The basic and diluted earnings per share are the same for 1H2021 and 1H2020 as the Company has no dilutive equity instruments as at 30 June 2021 and 30 June 2020.

**Pollux Properties Ltd. and its Subsidiaries**

**Other Information Required by Listing Rule Appendix 7C  
For the six months ended 30 June 2021**

**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	As at
	30 June 2021	31 December 2020
Net asset value per ordinary share (cents) – Group	7.08	7.09
Net asset value per ordinary share (cents) – Company	3.92	3.95

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 June 2021 and 31 December 2020 respectively; and (ii) 2,759,468,325 shares as at 30 June 2021 and 31 December 2020.

**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**

<b>The Group</b>	<b>1H2021</b>		<b>1H2020</b>	
	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>%</b>
<b>Type of Revenue:</b>				
Income from serviced apartment	1,126	25	1,623	28
Income from Management and Advisory services	10	*	-	
Rental Income				
- Residential units	621	14	609	10
- Commercial units	2,762	61	3,671	62
Total Revenue	<u>4,519</u>		<u>5,903</u>	
<b>Cost of Sales:</b>				
Serviced apartment	<u>705</u>		<u>855</u>	

\* Amount less than 1%

## Pollux Properties Ltd. and its Subsidiaries

### Other Information Required by Listing Rule Appendix 7C For the six months ended 30 June 2021

---

#### Revenue

The Group's revenue in 1H2021 comprised of income from serviced apartment, income from management and advisory services under fund management segment, rental income under property investment segment. The decline of revenue by 23% compared to 1H2020 was largely due to the decrease in rental income from commercial units and income from serviced apartment. The decline in rental income for commercial units was mainly due to the expiry of leases in 1H2020 for two tenanted units in the commercial office building, Macdonald House, which was not subsequently renewed.

With respect to the income from the serviced apartment, the outbreak of the Covid-19 had further plummeted the average daily rate despite an improvement in occupancy rates of 90% in 1H2021 and 73% in 1H2020.

#### Cost of sales and Gross profit

The Group's cost of sales decreased by 18% from S\$0.86 million in 1H2020 to S\$0.70 million in 1H2021. The cost of sales was associated with the cost incurred to operate the serviced apartment. The decrease was in tandem with the decrease in the income from the serviced apartment. Gross profit margin has declined from 86% in 1H2020 to 84% in 1H2021 mainly due to a reduction in revenue despite fixed operating costs.

#### Interest income

Interest income mainly pertains to interest received from fixed deposits placed in bank. The increase in interest income of S\$0.04 million was attributable to an increase in fixed deposits placed in bank.

#### Other income

Other income of S\$0.28 million in 1H2020 decreased by 75% to S\$0.07 million in 1H2021. This was mainly due to lower income obtained from government grants such as the Jobs Growth Incentive and Wage Credit Scheme.

#### Marketing and distribution expenses

Marketing and distribution expenses include marketing efforts for rental leases and third-party commissions paid to property agents. The S\$0.31 million increase in 1H2021 was mainly attributable to the marketing efforts and commission due to real estate agents for Macdonald House.

#### General and administrative expenses

General and administrative expenses include staff costs, fair valuation losses for investment properties, depreciation expenses, professional fees, directors' fees and office expenses. The decline of S\$1.16 million or 37% from S\$3.11 million in 1H2020 to S\$1.95 million in 1H2021 was mainly attributable to the fair valuation loss of investment properties of S\$1.64 million in 1H2020 during the fair valuation exercise performed as at 31 March 2020.

#### Finance costs

The decrease in finance costs of S\$0.76 million was mainly due to lower interest rates charged by the banks during 1H2021.

#### Share of result of a joint venture

The share of loss of S\$0.02 million during 1H2021 was mainly due to operating expenses incurred by the joint venture whilst the share of profits in 1H2020 was mainly due to the income recognised before the Pavilion Square project obtained Certificate of Statutory Completion ("CSC") in August 2020.

#### Share of result of an associate

There is no share of results of an associate recorded in 1H2021, following the Company's acquisition of its former associate on 7 October 2020.

#### Income tax expense

The decrease in income tax expense was attributable to lower taxable profit during 1H2021.

## Pollux Properties Ltd. and its Subsidiaries

### Other Information Required by Listing Rule Appendix 7C For the six months ended 30 June 2021

---

As a result of the above, the Group recorded a net loss of S\$0.18 million in 1H2021 as compared to net loss of S\$0.39 million in 1H2020.

#### **Balance sheets**

The financial position of the Group remained strong with net assets of S\$195.43 million as at 30 June 2021. The Group's cash and cash equivalents stood at S\$27.33 million as at 30 June 2021 as compared to S\$31.64 million as at 31 December 2020.

#### **Assets**

Total assets stood at S\$370.12 million as at 30 June 2021 as compared to S\$374.22 million as at 31 December 2020. The decrease of S\$4.10 million was mainly due to (i) decrease in cash and cash equivalents of S\$4.3 million mainly due to the utilisation of cash in operating activities of the Group; and (ii) collection of trade receivables.

#### **Liabilities**

Total liabilities stood at S\$174.69 million as at 30 June 2021 as compared to S\$178.61 million as at 31 December 2020. The decrease of S\$3.92 million was mainly due to (i) the repayment of the current portion of loans and borrowings; (ii) decrease in other payables from the payment settlement of non-trade vendors and suppliers and (iii) the partial repayment of the loan from joint venture.

#### **Consolidated cash flow statement**

The Group's cash and cash equivalents decreased by S\$4.31 million mainly due to the following:-

- 1) Net cash flows used in operating activities of S\$1.16 million was mainly due to (i) payment of income tax, (ii) payments made for other payables and accruals, partially offset by (iii) receipts from trade receivables.
- 2) Net cash flows used in investing activities of S\$0.19 million was mainly due to (i) purchase of plant and equipment; and (ii) additions to investment properties.
- 3) Net cash flows used in financing activities of S\$2.95 million was mainly due to (i) repayment of loans and borrowings; and (ii) repayment of loan from joint venture.

#### **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.

## Pollux Properties Ltd. and its Subsidiaries

### Other Information Required by Listing Rule Appendix 7C For the six months ended 30 June 2021

---

#### **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.**

Despite the recent tightening of domestic restrictions and border controls, the Singapore economy is set for a recovery this year in tandem with the global economic rebound and progress in the domestic vaccination program. The Ministry of Trade & Industry has forecasted Gross Domestic Product to rebound 4% to 6% in 2021.<sup>1</sup> Entry to Singapore remains highly exclusive to residents, short-term tourist visits from selected low-risk countries and business travellers.<sup>2</sup> Following the new Delta variant, travel bubbles with selected countries have also been postponed until further notice.

The real estate industry in Singapore is expected to have brighter prospects due to resilient demand for residential homes and potential for office and retail rent stabilisation by the end of 2021.<sup>3</sup> Local private residential home prices have defied recessionary pressure, driving down unsold inventory and reawakening the residential collective land sales market. The short-term outlook for office and retail leasing is more cautious. Office and retail occupiers might stay prudent due to uncertain business prospects and flexible working arrangements. Though island-wide vacancy rates of office spaces have increased as compared to 2020, pressure on rents is still visible as remote working may have prompted occupiers to hunt for cheaper rents.<sup>4</sup>

In April 2021, the Monetary Authority of Singapore (“MAS”) announced a new partnership between MAS and the private sector to strengthen Singapore’s value proposition as a leading asset management and fund domiciliation hub.<sup>5</sup> Fundraising activities in Singapore had slowed as investors adopted a “wait and see” position while many fund managers were held busy at current portfolio levels.<sup>6</sup> The expected gradual economic rebound has amplified the current stress of cost containment and fee pressures.

Looking ahead, the economy in Singapore is expected to grow in the near term, driven by a combination of economy recovery, normalisation of consumer spending and investment conditions and progress in the local vaccination program. The Group is exercising prudence in cash flow management and taking initiatives to defer non-essential capital expenditure. The Group will monitor the situation closely and continue to actively engage tenants for appropriate tenant support measures.

#### **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.

---

<sup>1</sup> [https://www.mti.gov.sg/Newsroom/Press-Releases/2021/05/MTI-Maintains-2021-GDP-Growth-Forecast-at-4\\_0-to-6\\_0-Per-Cent](https://www.mti.gov.sg/Newsroom/Press-Releases/2021/05/MTI-Maintains-2021-GDP-Growth-Forecast-at-4_0-to-6_0-Per-Cent)

<sup>2</sup> <https://edition.cnn.com/travel/article/singapore-travel-covid-19/index.html>

<sup>3</sup> <https://www.businesstimes.com.sg/opinion/singapores-real-estate-market-may-have-brighter-prospects-in-2021>

<sup>4</sup> <https://www.businesstimes.com.sg/real-estate/rents-of-singapore-office-space-rise-in-q1-vacancy-rate-ticks-upwards-ura>

<sup>5</sup> <https://www.mas.gov.sg/news/media-releases/2021/new-mas-industry-group-to-strengthen-singapores-fund-management-ecosystem>

<sup>6</sup> [https://www.rhtgrace.com/wp-content/uploads/2021/03/RHTCS-Singapore\\_-Fund-Management-2021-Outlook.pdf](https://www.rhtgrace.com/wp-content/uploads/2021/03/RHTCS-Singapore_-Fund-Management-2021-Outlook.pdf)



## Pollux Properties Ltd. and its Subsidiaries

### Other Information Required by Listing Rule Appendix 7C For the six months ended 30 June 2021

---

#### (c) Date payable

Not applicable.

#### (d) Books closure date

Not applicable.

#### **12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the financial period ended 30 June 2021 as cash flows are being directed to fund the Group's operating activities and the Company was in an accumulated loss position as at 30 June 2021.

#### **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**").

#### **14. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant 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.

#### **15. 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 June 2021 to be false or misleading in any material aspect.

#### **16. Disclosure pursuant to Rule 706(A) of the Catalist Rules**

There were no acquisitions or realization of shares thereby resulting (i) in a change in the shareholding percentage in any subsidiary or associated company of the Group or (ii) an entity becoming or ceasing to be (as the case may be) a subsidiary or associated company of the Group during 1H2021. Neither was there any incorporation of new subsidiary or associated company by the Group during 1H2021.

### **BY ORDER OF THE BOARD OF DIRECTORS**

Jacob Lee  
Executive Director and CEO  
12 August 2021