POLLUX
PROPERTIES

LAYING SOLID FOUNDATION
PURSUING SUSTAINABLE GROWTH

ANNUAL REPORT 2014

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Canaccord Genuity Singapore Pte. Ltd. for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Canaccord Genuity Singapore Pte. Ltd. has not independently verified the contents of this annual report. This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made, or reports contained in this annual report.

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CONTENTS

The pursuit of excellence and perfection are embedded into everything we do.
We build the future through confidence and trust.
We build lasting impressions, long-term value and peace of mind.
We build excellence and perfection through our people.
This is our commitment –

TOGETHER WE BUILD EXCELLENCE.

TO BE A PREMIER MULTI-NATIONAL CORPORATION CREATING ICONIC LUXURY PROPERTY DEVELOPMENT IN THE REGION.

We are committed to creating innovative landmark developments of perennial value to the community and achieving sustainable higher returns to our shareholders.

CORPORATE PROFILE

Pollux Properties Ltd. ("Pollux") is a listed property developer (since 19 July 2000) in Singapore with an exclusive focus on the development of residential and commercial properties. The Group actively engages in the business of developing upmarket real estate projects, with the key aim of creating homes reflecting the philosophy of lavish and modern living.

Pollux develops upmarket real estate projects with discernible style and luxurious quality. We are committed to developing the best residential as well as commercial properties. Pollux looks forward to embarking on multiple projects that will give the Group a greater presence in the property market both as an investor and developer.

CORPORATE PHILOSOPHY

Excellence in crafting great homes and plush communities starts by working with leading interior designers and suppliers of the best home fittings.

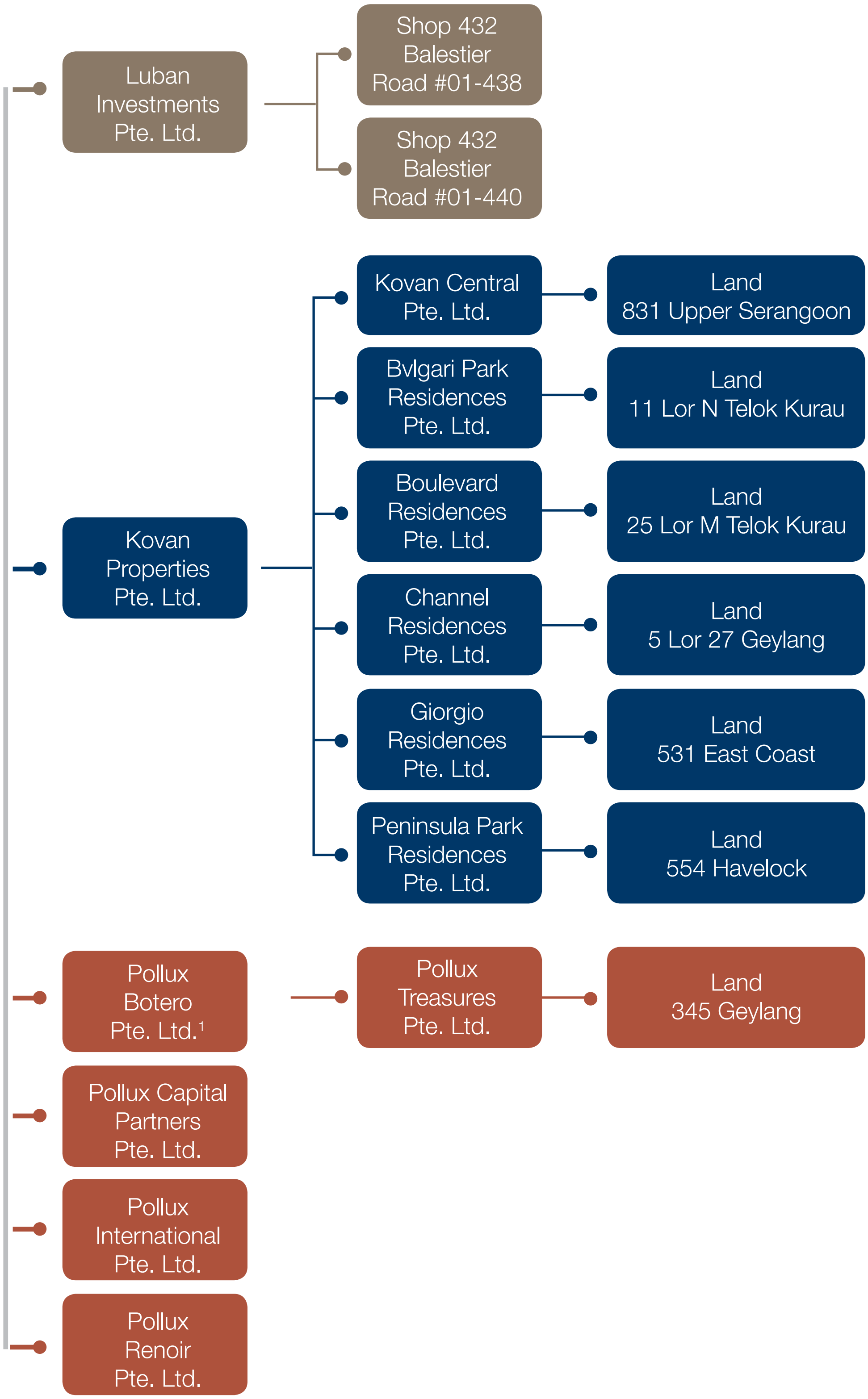
Relationships built on integrity and trust are important to us because we believe in building homes, not just apartments.

Refined Luxury to us means tasteful finishings and intricate pairings. Simply put, we are making it a point to fuss over every detail even when you are not.

Passion for details sets Pollux apart. We are constantly in the search of the best materials befitting your dream home. We want to make moving in a pleasure and living as leisurely as possible. That's why we call it home, it's the way living is meant to be.

Sustainability should be at the start of every venture and not its end. Pollux prefers to work backwards with a clear end in mind. That means sharing our vision of great dwelling places and plush communities with our customers, a robust business for our investors and a responsibility to share our success with the community.

CORPORATE STRUCTURE



[1] Pollux Botero Pte. Ltd. is a 50:50 joint venture with Goldman Morgan Holdings Pte. Ltd.

CORPORATE MILESTONES

OCT 2010
CEO of Pollux awarded 2010 Successful Entrepreneur Award

MAR 2011
Acquired land at 831 Upper Serangoon Road

JUL 2011
CEO of Pollux awarded Excellence Leadership Award of the 10th Asia Pacific International Entrepreneur Award 2011

Acquired land at 11 Lorong N Telok Kurau

AUG 2011
Acquired land at 25 Lorong M Telok Kurau

Acquired land at 554 Havelock Road

Launched and sold 100% of Park Residences Kovan located at 831 Upper Serangoon Road

SEPT 2011
Divested non-core business Cream Studio Pte. Ltd. and Cream Furniture Pte. Ltd.

OCT 2011
CEO of Pollux awarded 2011 Successful Entrepreneur Award

Acquired land at 5 Lorong 27 Geylang Road

NOV 2011
CEO of Pollux awarded Asia Pacific TOP CEO for year 2011/2012

Pollux awarded Diamond Eye Award for Quality Commitment and Excellence

DEC 2011
Divested non-core Business Builders Shop Pte. Ltd.

JAN 2012
Acquired land at 531 East Coast Road

MAR 2012
Acquired land at 345 Geylang Road

MAY 2012
Joint Venture between Pollux Botero Pte. Ltd. and Goldman Morgan Holdings Pte. Ltd.

Divested non-core business Pacific Royal Group Pte. Ltd.

JUL 2012
Received Singapore 1000 company – Public Listed Companies 2012 Award

AUG 2012
Launched Metro Loft located at 5 Lorong 27 Geylang Road

SEP 2012
All units of Metro Loft were sold

MAR 2013
Launched Pavilion Square located at 345 Geylang Road

APR 2013
Launched Garden Park Residences located at 25 Lorong M Telok Kurau

MAY 2013
Launched Mayfair Residences located at 531 East Coast Road

NOV 2013
Launched Berkeley Residences located at 11 Lorong N Telok Kurau

CHAIRMAN'S STATEMENT

"The Group has achieved a significant increase of 130% in revenue of $24.1 million."

Dear Shareholders,

I am pleased to report that Pollux Properties Ltd. ("Pollux Properties") has performed well in the financial year ended 31 March 2014 ("FY2013/14") despite of the challenges faced in the property industry.

POSITION FOR GROWTH AND SOLID FOUNDATION

Our divestment strategy of non-core business units and the transformation of Pollux Properties last year have positioned the Group for future growth with a more solid foundation. Following the transformation, the Group is now focused on our core expertise of property development, and is nimble and prepared to take on any challenges of the property industry and macro-economy.

FINANCIAL HIGHLIGHTS

As a result of the recognition of revenue from a fully sold-out project, Park Residences Kovan, which received the temporary occupation permit ("TOP") in early 2014, and three other projects, namely the Metro Loft, Garden Park Residences and Berkeley Residences which were substantially sold, the Group has achieved a significant increase of 130% in revenue of $24.1 million. Net profit attributable to the shareholders is $228,000.

Our balance sheet remains robust with cash and cash equivalents increasing by 38.7% to $9.7 million. We ended the fiscal year with a total shareholders' equity of $46.7 million and net asset value per share of 7.5 cents.

PROJECT UPDATE

Five of our freehold projects are substantially sold, and barring unforeseen circumstances, these projects are expecting to receive TOP in the financial years ending 31 March 2016 and 31 March 2017. These include the following:

CHAIRMAN'S STATEMENT

- The fully sold-out, 31-units of Metro Loft which is currently 34% completed and is expecting to receive TOP by June 2015.
- The 83% sold Garden Park Residences which is currently about 20% completed, is a 36-units luxury apartment project and is expecting to receive TOP by December 2015.
- The 22-units Berkeley Residences which is 100% sold and 15% completed, is expecting to receive TOP by December 2015.
- Launched in May 2013, Mayfair Residences, our luxury collection of 20 units of 3-bedroom apartments along East Coast Road, is 60% sold and will commence construction soon, with target completion by June 2016.
- Our mixed-development project Pavilion Square, has fully sold all its commercial units and 95% of its residential apartments and is 12% completed. TOP is expected to be obtained in March 2016.

Above information are as at 25 June 2014.

OUTLOOK

The operating environment for property developers will remain very challenging, given the cumulative impact of the various cooling measures introduced by the Singapore Government, particularly the implementation of the Total Debt Servicing Ratio (TDSR) framework for property loans in June 2013.

Home buyers have become more cautious and often adopt a wait-and-see stance, evidenced by the soft take-up in residential apartments in Singapore. However, the long-term outlook for the residential market remains positive in land-scarce Singapore and the Group is expected to benefit from the continued initiatives by the Singapore Government to promote population and economic growth.

Meanwhile, the Group will continue to explore opportunities in investment properties locally and other parts of Southeast Asia such as Indonesia.

In addition, the Group will enter into the serviced residences sector with the inaugural launch of its Louis Serviced Residences in the second half of 2014. Demand for longer-term accommodation by business travelers has fuelled high occupancy rates in the existing stock of serviced residences in Singapore. To date, the supply of serviced residences in Singapore is limited to only 1.8 serviced apartments per 1,000 business visitors, compared to the 5.3 serviced apartments in Hong Kong and New York.

APPRECIATION

I would like to take this opportunity to thank Dr Nico Purnomo Po, Chief Executive Officer, who has steered the Group in the past 6 years and look forward to his continued contribution. I would also like to express my appreciation to Mr Koh Teng Kiat who has left the Board on 4 April 2014 for his past invaluable contributions and guidance.

Moving ahead, I look forward to working with the refreshed Board - now comprising our Lead Independent Director, Mr Low Chai Chong; Non-Executive Director, Mr Tan Kay Kiang and the new Independent Directors, Mr Bambang Widaryatmo and Mr James Kho Chung Wah – as we work together to elevate Pollux Properties to greater heights.

I would also like to take this opportunity to thank all of you, our valued shareholders, for your continued trust and support. We look forward to meeting you at the upcoming Annual General Meeting.

Timur Pradopo
Non-Executive Chairman

BOARD OF DIRECTORS

MR. TIMUR PRADOPO

Mr. Pradopo, 58, was appointed as an Independent Director of the Company on 18 March 2014. He was the former Head of Indonesian Police from 2010 – 2013. He has 25 years of experience in the Indonesian Police Department and held several strategic positions in the Indonesian Police Department such as the Head of Central Jakarta Police Department (in 2010) as well as the Head of West Java Police Department (from 2008 to 2010).

Mr. Pradopo graduated from the Indonesian Police Academy in 1978 and the Indonesian Police Higher Administration Staff School in 2001.

DR. NICO PURNOMO PO

Dr. Po, 32, is the Chief Executive Officer of the Company. He is responsible for the management and operation of the Group and the implementation of the Group's strategies and policies.

Dr. Po holds a Bachelor's degree in Computing from National University of Singapore and had his honorary doctorate in business administration bestowed on him by InterAmerican University in 2011.

MR. TAN KAY KIANG

Mr. Tan, 68, was appointed as the executive Chairman of the Company on 12 August 1999. On 31 March 2008, he resigned as the executive Chairman but remains as an executive Director. He was responsible for the Group's financial and corporate management. On 31 July 2009, Mr. Tan was re-designated as a non-executive Director.

Mr. Tan holds a Bachelor of Science degree from Nanyang University. He was last re-elected as a Director of the Company on 25 July 2012.

BOARD OF DIRECTORS

MR. LOW CHAI CHONG

Mr. Low, 51, was appointed as an Independent Director of the Company on 1 September 2010. He is an advocate & solicitor of the Supreme Court of Singapore. He joined Rodyk & Davidson LLP in 1986, and has been with the same firm his entire career. He has many years of legal experience, representing MNCs, financial institutions and listed companies in a wide array of commercial and corporate matters regionally, including dispute resolutions.

Mr. Low graduated from National University of Singapore with a Bachelor of Laws (Honours) degree. He is also a lead independent director of Moya Asia Limited and a non-executive chairman of China Gaoxian Fibre Holdings Ltd. (a company listed on the Main Board of the SGX-ST). He was last re-elected as a Director of the Company on 28 July 2011.

MR. BAMBANG WIDARYATMO

Mr. Widaryatmo, 60, was appointed as an Independent Director of the Company on 18 March 2014. He was the former Chief of the Police Forces of East Kalimantan from 2011 to 2012. He also held position as the Investigation Director of Indonesia Anti-Corruption Committee from 2008 to 2009.

Mr. Widaryatmo graduated from the Indonesian Police Academy in 1976.

MR. JAMES KHO CHUNG WAH, CFA

Mr. Kho, 38, was appointed as an Independent Director of the Company on 29 May 2014. He has over 13 years of investment banking and regulatory experience and has held various senior positions in the investment banking and corporate finance departments of international banks and major local securities houses. He started his career in the equity markets with the Issuer Regulation Department of Singapore Exchange, where he is involved in the review of listing applications and ensuring compliance of listed companies. Currently, he is the co-founder and Managing Director of Willan Capital Pte. Ltd. as well as the Executive Director of Pacific Star (Greater China) Pte. Ltd.

Mr. Kho has been awarded the CFA Charter and is a member of the CFA Institute. He has obtained his Bachelor of Business (Second Upper Honours) degree from Nanyang Technological University, majoring in financial analysis and minor in applied economics.

KEY MANAGEMENT

left to right: MS. BECKY NG BEE KIAN, MR. CHOY KONG YAN, MR. HENDRY SUGIANTO AND MS. SUSIE THNG SOCK CHING

MR. CHOY KONG YAN

Mr. Choy Kong Yan, 48, is the General Manager of the Company. He joined the Company in May 2014. He holds a Bachelor of Engineering from Monash University and a Master of Business Administration from University of South Australia. He is a senior member of the Institution of Engineers, Singapore, Chartered Professional Engineer of Institution of Engineers, Australia and Chartered member of Institute of Logistic and Transport. He is a Registered Professional Engineer in Singapore. He has 24 years of experience in construction and property development.

MR. HENDRY SUGIANTO

Mr. Sugianto, 35, is the Project Manager of the Company. He joined the Company in March 2009. He is responsible in project development from inception through completion, managing design and contracts. He provides support to marketing efforts in construction of showflats and in content supply for project brochures and websites. He has over 10 years of experience in the building related industry including serving as a designer in architectural practices and a listed hospitality group. He holds a Masters degree in Architecture.

MS. SUSIE THNG SOCK CHING

Ms. Susie Thng, 61, is the Accounting and Finance Manager of the Company. She joined the Company in April 2010. Prior to joining the Company, Ms. Thng has been involved in the business of property development, construction and building materials for more than 15 years.

Ms. Thng's responsibilities include overseeing the Group's accounts and financial administrative matters. She holds a Diploma in Management from the Singapore Institute of Management.

MS. BECKY NG BEE KIAN

Ms. Becky Ng, 34, is the Corporate Affairs Manager of the Company. She joined the Company in November 2009. Her responsibilities include corporate secretariat support; communicating of important organisational issues to the Board and administer corporate and constitutional issues. She is also in-charge of the sales of properties. Prior to joining the Company, she had 8 years of experience in leasing and property management of serviced apartments, serviced offices and commercial properties in Singapore, Hong Kong and Shanghai.

She holds both a Diploma in Hotel and Travel Management and a Bachelor of Arts (Honours) majoring in International Business Management from Northumbria University, Newcastle UK.

FINANCIAL HIGHLIGHTS

REVENUE
$24.12M
130% YoY

EBITDA
$0.95M
234% YoY

PATMI
$0.23M
58% YoY

EPS
0.04¢
140% YoY

NAV per share
$0.08
1% YoY

ROE
0.49%
138% YoY

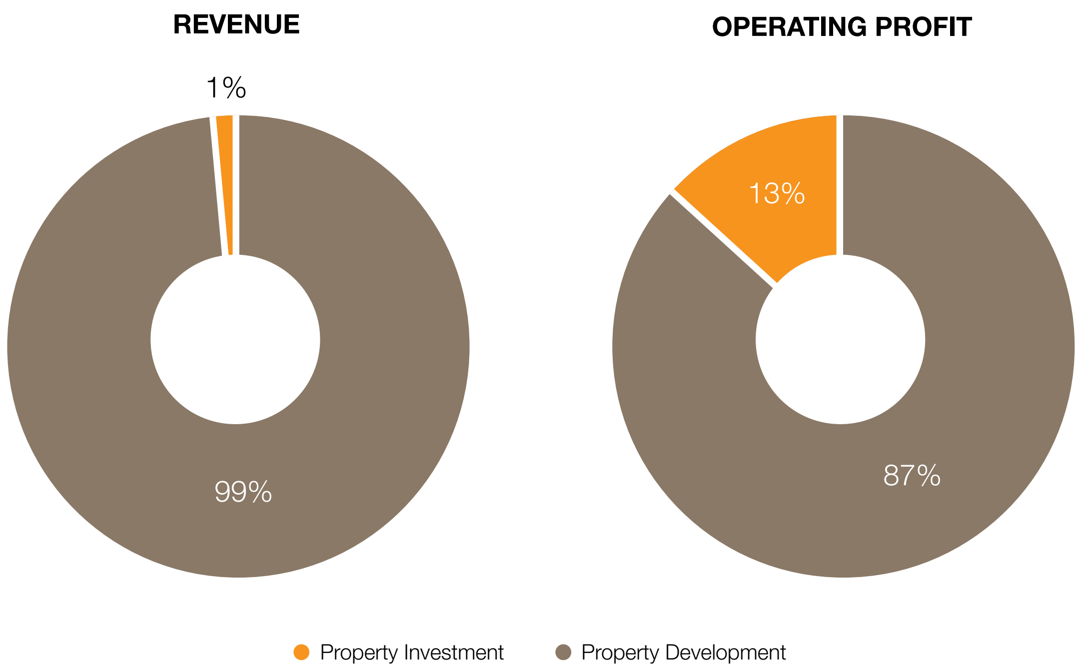
OPERATION REVIEW

The Group's two core business segments are property development and property investment. The Group's development properties are Park Residences Kovan, Metro Loft, Pavilion Square, Garden Park Residences, Mayfair Residences, Berkeley Residences, and investment properties are Louis Serviced Residences located along Havelock Road and two retail shops located along Balestier Road.

Property development segment contributed 99% of the Group's revenue in FY2013/14. The remaining 1% of the Group's revenue is from rental income of the Balestier's retail shops from our property investment segment. In FY2013/14, property development segment contributed 87% to the Group's operating profit while property investment segment contributed 13%.

Moving forward, the Group is looking into enhancing its business in investment properties.

REVENUE AND OPERATING PROFIT IN FY2013/14 BY BUSINESS SEGMENTS



DEVELOPMENT PROPERTIES

OPERATION REVIEW

PROJECTS	LAUNCH	TOTAL AREA (SQM)	TENURE	TOTAL UNIT	UNIT SOLD	UNIT SOLD %	EST. TOP	CONSTRUCTION PROGRESS % (As of 25.06.2014)
Park Residences Kovan	August 2011	1118.90	Freehold	41	41	100	February 2013	100
Metro Loft	August 2012	469.70	Freehold	31	31	100	June 2015	34
Pavilion Square* (Residential)	March 2013	660.00	Freehold	42	40	95	March 2016	12
Pavilion Square* (Commercial)	March 2013	690.00	Freehold	93	93	100	March 2016	12
Garden Park Residences	April 2013	1805.10	Freehold	36	30	83	December 2015	20
Mayfair Residences	May 2013	2109.10	Freehold	20	12	60	June 2016	0
Berkeley Residences	November 2013	1125.80	Freehold	22	22	100	December 2015	15
6 Projects		**7978.60**		**285**	**269**	**94**		

* 50:50 joint venture with Goldman Morgan Holdings Pte. Ltd.
Above information are as of 25 June 2014.

The Group had successful handed over all units in Park Residences Kovan in early 2014 and the project contributed 56% of the Group's revenue for FY2013/14.

Park Residences Kovan is our first development project launched in August 2011 and was fully sold within a month. This project is located at Upper Serangoon Road which comprises 41 units featuring four penthouses, two of which comes with its own plunge pool.

Park Residences Kovan

OPERATION REVIEW

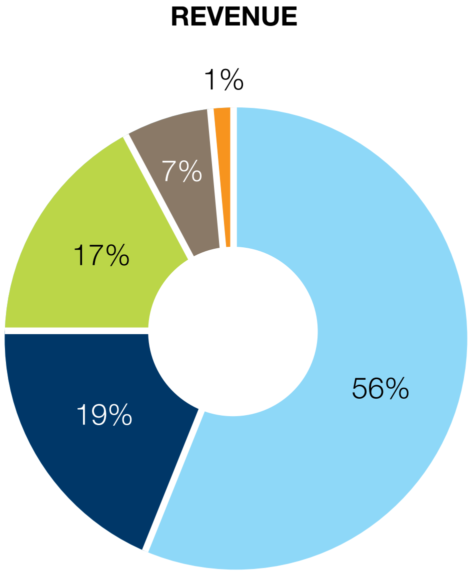
DEVELOPMENT PROPERTIES

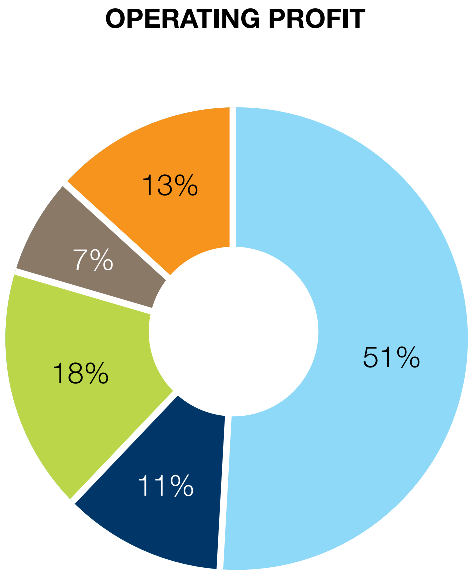
The fully sold-out, 31 units of Metro Loft which is currently 34% completed (as of 25 June 2014) is on track to receive TOP by June 2015. This project has contributed 19% of the Group's revenue for FY2013/14.

Metro Loft, launched in August 2012, is an exclusive freehold development situated in one of the most bustling district in the Central – Eastern part of Singapore, and was fully sold within two months of its launch. Metro Loft offers 31 units with nine penthouses adorned with spacious and private balconies.

Metro Loft

REVENUE AND OPERATING PROFIT IN FY2013/14 BY PROJECTS





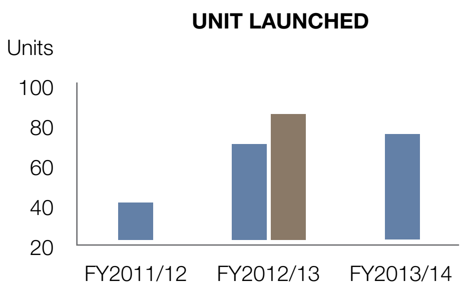
● Park Residences Kovan ● Metro Loft ● Garden Park ● Berkeley Residences ● Balestier (Rental)

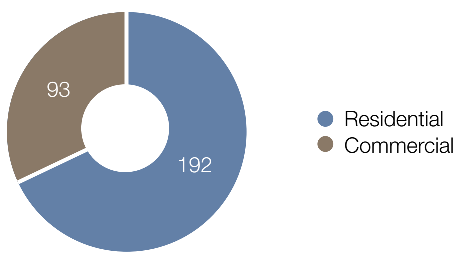
Our first mixed development project, Pavilion Square which was launched in March 2013, comprises 42 residential units and 93 commercial units. The new freehold urban landmark, is probably the Group's best investment when it comes to location. The cleverly mixed residential and commercial development is built around its occupants in mind. Situated in the heart of Geylang's most vibrant location and access to the city major highways and public transportation, Pavilion Square will be the ultimate benchmark for the next residential and commercial developments. The commercial units are fully sold while 95% of its residential units have been sold as at 25 June 2014. TOP is expected to be obtained in March 2016.

Pavilion Square

PROJECTS LAUNCHED IN FY2011/12-2013/14

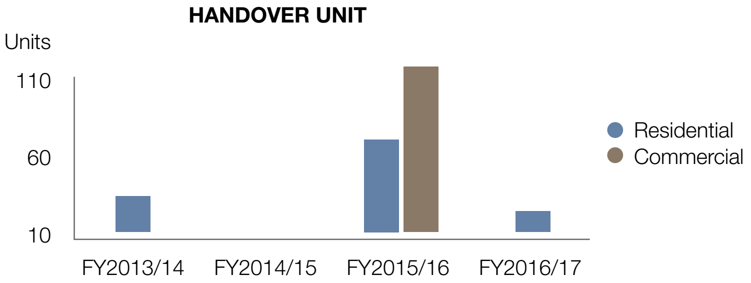
PROJECTS	FY 2011/12	FY 2012/13	FY 2013/14
Park Residences Kovan	41		
Metro Loft		31	
Pavilion Square (Residential)		42	
Pavilion Square (Commercial)		93	
Garden Park Residences			36
Mayfair Residences			20
Berkeley Residences			22
	41	**166**	**78**

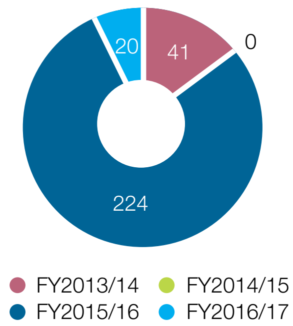




PROJECTS TOP & HANDOVER IN FY2013/14-2016/17

PROJECTS	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17
Park Residences Kovan	41			
Metro Loft			31	
Pavilion Square (Residential)			42	
Pavilion Square (Commercial)			93	
Garden Park Residences			36	
Mayfair Residences				20
Berkeley Residences			22	
	41	**0**	**244**	**20**





Five of our freehold projects, mainly Metro Loft, Pavilion Square, Garden Park Residences, Mayfair Residences and Berkeley Residences are substantially sold, and barring unforseen circumstances, these projects are expected to receive TOP in the financial years ending 31 March 2016 and 31 March 2017.

The 83% sold Garden Park Residences is currently 20% completed. A 36 units of 5 storey freehold private sanctuary ranging from 1+1 to 5 bedrooms units. The purpose of the build development theme and idea was to create a habitat that inspires its occupants to relax, retreat and be happy. This is ideal living and a unique location to raise a family. Residents can also get acquainted with the nostalgic charm of the Telok Kurau and at the same time live life to the fullest with its close proximity to the numerous entertainment and shopping, food and dining, schools, and the East Coast Park which is just a mere 10 minutes walk. High quality fitting and fixtures; well designed amenities like the lap and children's pool, Jacuzzi and playground are just some of the unique features of the development. It is a fresh new day, every day at Garden Park Residences.

Garden Park Residences

Launched in May 2013, Mayfair Residences is the epitome of luxury lifestyle and living. Each of the 20 exclusive 3-bedroom unit is an oasis of peace, comfort and tranquility. The development is strategically located between the nostalgic Katong and charming East Coast district. Mayfair Residences unites urban convenience which only the finest developer can deliver. It redefines upscale luxury living with exquisite design and build quality, high floor to ceiling glass, amenities such as the ultramodern kitchen with premium fittings and fixtures and the contemporary modern-inspired bathrooms. This project is 60% sold and will commence construction soon. Its target completion is by June 2016.

Mayfair Residences

Berkeley Residences

Berkeley Residences is 100% sold and 15% completed. The 22 units luxurious freehold development theme is about pairing individualism, taste and experience. And what is quality living without quality fittings and fixtures. Its peaceful and laid back location in Telok Kurau offers diversified living experience for every urban dweller. This project is expecting TOP by December 2015.

INVESTMENT PROPERTIES

LOUIS SERVICED RESIDENCES	
Address	554 Havelock Road
Tenure	Leasehold
Land Area	2109.10 sqm
Total units	96 units
Type of units	1 bedroom of 60 units 2 bedroom of 30 units 3 bedroom of 6 units
Facilities	Swimming Pool, Jacuzzi, Breakfast Lounge, Meeting Rooms
Operation commencement date	Second half of 2014

Located in the central district of Havelock Road, this investment property is being redeveloped into 96 units of Serviced Residences.

Louis Havelock is a love affair between the old and the new, where modern aesthetics follows functional design and craftsmanship.

Louis Havelock is expecting to launch in the second half of 2014.

Louis Havelock

The Group have 2 freehold retail shops located along Balestier Road for investment holding purposes and to generate consistent cash income stream.

Both shops are currently leased out.

The 2 retail shops had contributed 13% of the operating profit for the financial year ended 31 March 2014.

PROPERTIES	TOTAL AREA (SQM)	TENURE	DESCRIPTION
432 Balestier Road #01-438	83	Freehold	Leased for rental income
432 Balestier Road #01-440	157	Freehold	Leased for rental income
	240		

CORPORATE INFORMATION

DIRECTORS
Timur Pradopo
(appointed on 18 March 2014)
Nico Purnomo Po
Tan Kay Kiang
Low Chai Chong
Bambang Widaryatmo
(appointed on 18 March 2014)
James Kho Chung Wah
(appointed on 29 May 2014)
Tan Nan Choon
(alternate director to Tan Kay Kiang)

COMPANY SECRETARY
Chew Bee Leng

REGISTERED OFFICE
391A Orchard Road
#08-07 Ngee Ann City Tower A
Singapore 238873
Tel: +65 6922 0333
Fax: +65 6922 0338

BANKERS
United Overseas Bank Limited
Hong Leong Finance Limited
Oversea-Chinese Banking Corporation Limited
Bank of China Limited

SHARE REGISTRAR AND SHARE TRANSFER OFFICE
M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

AUDITORS
Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner-in-charge: Eleanor Lee
Date of appointment: Since financial year ended 31 March 2011

SPONSOR
Canaccord Genuity Singapore Pte. Ltd.
77 Robinson Road
#21-02
Singapore 068896

CORPORATE GOVERNANCE REPORT

Pollux Properties Ltd. (the "Company") and its subsidiaries (together, the "Group") are committed to maintaining a high standard of corporate governance within the Group so as to ensure greater transparency and protection of shareholders' interests. The Group supports the spirit of the Code of Corporate Governance 2012 (the "Code"), whilst also recognising that it needs to develop and maintain its own corporate governance processes to meet its specific business needs.

This report outlines the Group's corporate governance processes and structures that were in place throughout the financial year ended 31 March 2014 ("FY2014"), with specific reference made to each of the principles of the Code.

The Board of Directors (the "Board") of the Company confirms that, for FY2014, the Group has generally adhered to the principles and guidelines as set out in the Code. Any deviations from the Code are disclosed and explained in this report.

BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with the Management to achieve this objective and the Management remains accountable to the Board.

Role of the Board

The primary role of the Board is to protect and enhance long-term value and returns for the shareholders. The Board approves the Group's strategic plans, key business initiatives, major investments and funding decisions, and ensures the business affairs of the Group are effectively managed and conducted by an executive management (the "Management").

The Board has adopted internal guidelines for cheque signatories and operating expenditures to optimise operational efficiency. Additionally, the Board has direct responsibility for decision-making in respect of the following:

(a) Setting the strategic directions and goals of the Company and ensuring that adequate resources are available to meeting these objectives;

(b) Establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding shareholders' interests and the Company's assets;

(c) Overseeing and monitoring the management and affairs of the Company;

(d) Monitoring management performance towards achieving organisational goals;

(e) Ensuring accurate and timely reporting to, and communication with shareholders;

(f) Ensuring the Company's compliance with laws, regulations, policies, directives, guidelines and internal code of conduct;

(g) Determining the Company's values and standards including ethical standards; and

(h) Considering sustainability issues of policies and procedures including environmental and social factors in the formulation of the Company's strategies.

Each individual Director has objectively discharge his duties and responsibilities at all times as fiduciaries in the interests of the Company.

The Company has adopted internal guidelines governing matters that require the Board's approval and clear directions have also been given to the Management that the following matters must be approved by the Board:

(a) material acquisition and disposal of assets/investments;

(b) corporate/financial restructuring and corporate exercise;

(c) material financial/funding arrangements and capital expenditures; and

(d) policies and procedures, delegation of authority matrix, code of conduct and business ethic.

All relevant information on material events and transactions are circulated to the Directors as and when they arise.

To facilitate effective management and without abdicating the Board's responsibility, certain functions of the Board have been delegated to various Board committees ("Board Committees"). The Board is assisted by an Audit Committee ("AC") and a Remuneration and Nominating Committee ("RNC"), each of which functions are clearly defined in the respective terms of reference and operating procedures which are reviewed by the Board on a regular basis.

Board Meetings and Meetings of Board Committees

The Board meets on a half-yearly basis to review the financial performance of the Group and approve the release of the Group's half year and full year financial results. Additional meetings of the Board may be held as and when circumstances require. The Articles of Association of the Company (the "Articles") allow Board meetings to be conducted by way of teleconference or videoconference. The Directors normally set dates of the meetings of the Board well in advance.

Each Director's attendance at meetings of the Board and Board Committees held in FY2014 are set out below:

Name of Director/ Committee	**Board**		**Audit Committee**		**Remuneration and Nominating Committee**	
	No. of Meetings*	**Attendance***	**No. of Meetings***	**Attendance***	**No. of Meetings***	**Attendance***
Po Sun Kok[(1)]	1	0	1	0	1	0
Nico Purnomo Po	3	3	N.A.	N.A.	N.A.	N.A.
Tan Kay Kiang[(2)]	3	2	0	0	1	0
Low Chai Chong	3	3	2	2	2	2
Koh Teng Kiat[(3)]	3	3	2	2	2	2
Timur Pradopo[(4)]	0	0	N.A.	N.A.	N.A.	N.A.
Bambang Widaryatmo[(5)]	0	0	N.A.	N.A.	N.A.	N.A.

* Refers to meetings held and attended while each Director was in office

(1) Mr Po Sun Kok retired as a Director on 25 July 2013.

(2) Mr Tan Kay Kiang was appointed as a member of the Audit Committee and Remmeration and Nominating Committee on 9 January 2014.

(3) Mr Koh Teng Kiat resigned as a Director on 4 April 2014.

(4) Mr Timur Pradopo was appointed as a Director on 18 March 2014.

(5) Mr Bambang Widaryatmo was appointed as a Director on 18 March 2014.

Training and Development of Directors

Newly appointed Directors will be issued with a formal letter by the Company Secretary explaining their duties and obligations as a Director upon their appointment. The Management will organise orientation programmes for new Directors to familiarise them with the Group's operations and business issues and the relevant regulations and governance requirements.

The Company provides ongoing education to the Directors on Board processes, corporate governance practices and updates on changes to laws and regulations. The Directors are also encouraged to keep themselves abreast of latest developments relevant to the Company or themselves. Where necessary, the Directors will be updated on new legislations and/or regulations and changing commercial risks, from time to time, which are relevant to the Group. A majority of the current members of the Board have been Directors of the Company for several years and are familiar with the Company's business operations and practices.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board presently comprises six (6) Directors as set out below:

Name of Director	Position held on the Board	Board appointment whether executive, non-executive or independent	Date of first appointment	Date of last re-election
Nico Purnomo Po	Director	Executive	31 March 2008	Not applicable(1)
Tan Kay Kiang	Director	Non-executive	12 August 1999	25 July 2012
Low Chai Chong	Director	Independent	1 September 2010	28 July 2011
Timur Pradopo	Chairman	Independent	18 March 2014	-
Bambang Widaryatmo	Director	Independent	18 March 2014	-
James Kho Chung Wah	Director	Independent	29 May 2014	-

(1) Under Article 99 of the Company's Articles, the Managing Director of the Company is not subject to retirement by rotation.

The profiles and key information on the individual Directors and their shareholdings in the Company are set out in the "Board of Directors" section and the "Directors' Report" section of this annual report.

There is a strong and independent element on the Board, with independent Directors constituting more than half of the Board, which is in line with the Code. The independence of the Directors is reviewed annually by the RNC. The RNC adopts the Code's definition as to what constitutes an independent Director in its review. Taking into consideration the RNC's review, the Board is of the view that Mr Low Chai Chong, Mr Timur Pradopo, Mr Bambang Widaryatmo and Mr James Kho Chung Wah are independent. No independent Directors have served on the Board beyond nine (9) years from the date of their appointment.

The Board is supported by Board Committees, namely the RNC and AC, which comprise all non-executive Directors, a majority of whom including the Chairman, are independent. The roles and functions of these Board Committees are described below.

The Board is supported by Board Committees, namely the RNC and AC, which comprise all non-executive Directors, a majority of whom including the Chairman, are independent. The roles and functions of these Board Committees are described below.

The non-executive Directors provide, amongst other things, strategic guidelines to the Company based on their professional knowledge and experience. They constructively challenge and help develop directions on strategy and review the performance of the Management in achieving agreed targets and objectives.

To facilitate a more effective check on the Management, the non-executive Directors are encouraged to arrange for meetings without the Management being present at times deemed necessary. The Board is able to exercise objective judgment independently from the Management and no individual or small group of individuals dominates the decision-making of the Board.

The size and composition of the Board is reviewed on an annual basis by the RNC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. When a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the RNC, in consultation with the Board, determines the selection criteria and selects candidates with the appropriate expertise and experience for the position. The RNC then nominates the most suitable candidate for appointment by the Board to the Company.

The Board as a group has core competencies in accounting and finance, business and management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge.

The Board is satisfied that the current Board size of six (6) Directors is appropriate taking into consideration the nature and scope of the operations of the Group.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

There is a clear division of roles and responsibilities between the Chairman, Mr Timur Pradopo, and the Chief Executive Officer ("CEO"), Dr Nico Purnomo Po. The Chairman leads and manages the business of the Board whilst the CEO and his team of management staff translate the Board's decisions into executive action.

Mr Timur Pradopo, Chairman of the Board, is responsible for:

(a) leading the Board to ensure its effectiveness on all aspects of its role;

(b) determining the agenda for the meeting and instructing the Company Secretary to disseminate it to all Directors at least seven (7) days before the meeting;

(c) promoting a culture of openness and debate within the Board;

(d) ensuring the Board members engage the Management in constructive debate on various matters including strategic issues;

(e) ensuring that the Directors receive complete, adequate and timely information;

(f) ensuring effective communication with shareholders;

(g) facilitating the effective contribution of non-executive Directors in particular; and

(h) continuous pursuance of high standards of corporate governance.

The CEO is responsible for implementing the Group's strategies and policies, making strategic and business investment decisions as well as the overall management and performance of the Group. The Board is of the opinion that there is a balance of power and authority within the Board.

As recommended by the Code, the Board has appointed an Independent Director, Mr Low Chai Chong, as the Lead Independent Director. Mr Low Chai Chong chairs the RNC and is also a member of the AC. In accordance with the Code, Mr Low Chai Chong is available to shareholders when they have concerns which contact through the normal channels has failed to resolve, or for which such contact is inappropriate. Led by the Lead Independent Director, the Company's Independent Directors have met, without the presence of the other Directors, and the Lead Independent Director will provide feedback to the Chairman and CEO after such meetings as appropriate.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The RNC was formed in June 2003 by the merger of the Nominating Committee and the Remuneration Committee of the Company. Currently, the RNC comprises three (3) non-executive Directors, a majority of whom including the Chairman are independent. The Chairman of the RNC is not a substantial shareholder of the Company or directly associated with any substantial shareholder of the Company.

The members of the RNC are as follows:

Mr Low Chai Chong – Chairman
Mr Koh Teng Kiat *(Ceased on 4 April 2014)*
Mr Tan Kay Kiang
Mr James Kho Chung Wah *(Appointed on 29 May 2014)*

The key terms of reference of the RNC are as follows:

(a) The RNC shall comprise not fewer than three (3) Directors, a majority of whom shall be independent;

(b) The Chairman of the RNC shall be an independent non-executive Director; and

(c) The Board shall within three (3) months of cessation of a member appoint a new member from the date of cessation so that the number of members does not fall below three (3) if a member, for any reason, ceases to be a member.

The RNC handles both nominating and remuneration matters of the Company. With regard to nominating matters, the RNC pursuant to its written terms of reference shall:

(a) establish procedures for and make recommendations to the Board on all Board appointments and re-appointments;

(b) review re-nominations, having regard to the Director's contribution and performance (e.g. attendance, preparedness and participation) including, if applicable, as an independent Director;

(c) decide whether the Director is able to and has been adequately carrying out his duties as a Director where a Director has multiple board representations;

(d) review the independence of the Directors on an annual basis;

(e) establish procedures for the evaluation of the Board's performance and propose objective performance criteria, which shall be approved by the Board;

(f) assess the effectiveness of the Board as a whole and assess the contribution by each individual Director to the effectiveness of the Board;

(g) identify gaps in the mix of skills, experience and other qualities required in an effective Board and nominate or recommend suitable candidate(s) to fill these gaps;

(h) ensure that all Board appointees undergo an appropriate induction programme;

(i) review annually the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary; and

(j) recommend the appropriate training and professional development programmes for the Board.

The RNC's role in respect of remuneration matters are separately discussed under Principle 7 (Procedures for Developing Remuneration Policies).

The RNC regulates its own procedures and in particular, the calling and frequency of meetings, the notice to be given of such meetings, the voting and proceedings thereat. The Company also maintains records of the deliberations and proceedings of the RNC.

For FY2014, the RNC held two (2) meetings.

The RNC conducts an annual review of the Directors' independence and is of the view that Mr Low Chai Chong, Mr Timur Pradopo, Mr Bambang Widaryatmo and Mr James Kho Chung Wah are independent.

Currently, none of the Directors hold excessive number of board representations. Hence, the Board has not set the maximum number of listed company board representations each Director may hold. The Board will review and recommend the maximum number of listed company board representations which Directors may hold at the appropriate time. When a Director has multiple board representations, the RNC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company. The RNC is satisfied that sufficient time and attention has been given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations.

The Company has only one Alternate Director. Mr Tan Nan Choon, who is the alternate director to Mr Tan Kay Kiang, is also the nephew of Mr Tan Kay Kiang and he attends all meetings of the Board.

In the selection process for the appointment of new Directors, the RNC will review the composition of the Board and identify the skill sets which enhance the Board's overall effectiveness. Potential candidates are identified from various sources. In assessing the suitability of a candidate to be appointed to the Board, the RNC will consider if he or she is able to make the appropriate contributions to the Board and the Group. The key factors which the RNC will take into consideration are:

(a) qualifications, industry knowledge and functional expertise which are relevant and beneficial to the Group; and

(b) extensive experience and business contacts in the industry in which the Group operates.

The proposed candidates' independence (if necessary) will also be considered before the RNC makes its recommendations to the Board. The new Directors will then be appointed the Board.

The RNC is in charge of re-nominating the Directors, having regard to their contribution and performance. Under the Company's existing Articles of Association, at least one-third of the Directors for the time being shall retire from office by rotation at each annual general meeting ("AGM") of the Company, provided all Directors (except the CEO) shall retire by rotation at least once every three (3) years. The CEO shall not be subject to retirement by rotation nor be taken into account in determining the number of Directors to retire.

The RNC has reviewed and is satisfied that the Directors who are retiring in accordance with the Company's Articles at the forthcoming AGM of the Company are properly qualified for re-appointment by virtue of their skills, experience and contributions. The RNC has recommended to the Board that Mr Timur Pradopo, Mr Bambang Widaryatmo and Mr James Kho Chung Wah who are retiring pursuant to Article 108 of the Company's Articles, as well as Mr Low Chai Chong who is retiring pursuant to Article 104 of the Company's Articles, be nominated for re-election as Directors at the forthcoming AGM of the Company. Please refer to the "Board of Directors" section of this annual report for more information on the Directors.

Each member of the RNC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as a Director.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each director to the effectiveness of the Board.

The RNC has recently implemented a formal review process to assess the effectiveness of the Board and the individual Director's performance on an annual basis. All members of the Board are required to complete and send the evaluation forms to an independent coordinator (the "Independent Coordinator") directly and in confidence within four (4) weeks after the end of each financial year. The Independent Coordinator will then collate the results and forward them to all members of the RNC for its discussion. The RNC will thereafter report to the Board. The review process will be implemented in respect of the financial year ending 31 March 2015 onwards.

For the purpose of its evaluation of the Directors' performance, the RNC focuses on whether the Directors, individually or collectively possess the background, experience, competencies in finance and management skills critical to the Group's business as well as whether each Director, with his special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well considered decisions to be made.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Board, its committees and every Director have separate and independent access to the Management and are entitled to request for additional information as needed to make informed decisions.

To ensure that the Board is able to fulfill its responsibilities, the Management provides the Board with a management report containing complete, adequate and timely information prior to Board meetings as well as a report of the Group's ongoing activities. In addition to the business plans submitted to the Board for approval, the Board was provided with management reports, board papers and related materials in respect of the Company's performance, position and prospects as and when requested.

The Management will also keep the Board apprised of material variances between the actual results, corresponding period of last financial year and the budget with appropriate explanation on such variances.

In addition, all Directors have separate and independent access to the Company Secretary. The Company Secretary attends all meetings of the Board and Board Committees and prepares minutes of meetings of the Board and of the Board Committees which are circulated for review. The Company Secretary is also responsible for ensuring that Board procedures and all other rules and regulations applicable to the Company are followed and advises the Board of the requirements of the Company's Articles of Association, the Companies Act (Chapter 50) and the Singapore Exchange Trading Securities Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist (the "Catalist Rules"). The appointment and removal of the Company Secretary is a matter for the Board to decide as a whole.

The Directors may seek independent professional advice as and when necessary in furtherance of their duties. The appointment of such professional advisors is subject to approval by the Board. Any cost of obtaining such professional advice will be borne by the Company.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The members of the RNC are disclosed under Principle 4 (Board Membership).

With regards to remuneration matters, the RNC pursuant to its written terms of reference shall:

(a) review and recommend to the Board a framework of remuneration for the Directors and the key management which covers Director's fees, where applicable, basic salaries, allowances, bonuses and benefits in kind;

(b) review the remuneration packages of all managerial staff that are related to any of the executive Directors;

(c) review the performance of key management to enable the RNC to determine their annual remuneration, bonus rewards, etc; and

(d) recommend to the Board in consultation with the key management and the CEO, any long-term incentive scheme.

The RNC is tasked to provide a formal, transparent and objective procedure for fixing the remuneration packages of individual Directors and to ensure that the level of remuneration paid by the Company serves to attract, retain and motivate the employees needed to manage the Company successfully. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and other benefits-in-kind shall be covered by the RNC. The recommendations made by the RNC will be submitted for endorsement by the Board. Each member of the RNC shall abstain from voting on any resolutions in respect of his remuneration package.

The RNC has access to professional advice from experts outside the Company on remuneration matters as and when necessary. The RNC will ensure that existing relationships between the Company and its appointed remuneration consultants, if any, will not affect the independence and objectivity of the remuneration consultants. The Company will also disclose the names and firms of the remuneration consultants in the annual remuneration report, and include a statement on whether the remuneration consultants have any such relationships with the Company.

In the case of service contracts, the RNC will consider what compensation commitments the Directors' or key management personnel's contracts of service, if any, would entail in the event of termination with a view to ensure that such contracts of service, if any, contain fair and reasonable termination clauses which are not overly generous.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the Company. However, companies should avoid paying more than is necessary for this purpose.

The Group sets remuneration packages which are competitive and sufficient to attract, retain and motivate Directors and key management with adequate experience and expertise to manage the business and operations of the Group. In setting remuneration packages, the Group takes into account salary and employment conditions within the same industry and in comparable companies. The Group adopts a remuneration policy for the executive Director, comprising a basic salary component as well as a bonus component, which is performance-based and seeks to align the interests of the executive Director with those of the shareholders of the Group.

Currently, the Company does not have any long-term incentive scheme. The RNC will recommend the implementation of incentive schemes as and when it considers appropriate.

All Directors are paid Directors' fees, determined by the Board based on the effort, time spent and responsibilities of the Directors. The payment of such fees to the Directors is subject to approval of the shareholders at each AGM of the Company. The Independent Directors have not been over-compensated to the extent that their independence is compromised.

Non-executive Directors have no service contracts with the Company. The executive Director has a service contract with the Company, which can be terminated by either the Company or the executive Director giving not less than three (3) months' notice in writing.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from the executive Directors and key management in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

Disclosure on Remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

A breakdown of the remuneration of the Directors and key executives (who are not Directors) for FY2014 is set out below:

Remuneration of Directors for FY2014

Remuneration Band and Name of Director	Based/Fixed Salary	Bonus	Directors' Fees(1)	Other Benefits(3)	Total
Above S$250,000					
Nico Purnomo Po(2)	75%	-	10%	15%	100%
Below S$250,000					
Po Sun Kok(2)	-	-	100%	-	100%
Tan Kay Kiang	-	-	100%	-	100%
Low Chai Chong	-	-	100%	-	100%
Koh Teng Kiat	-	-	100%	-	100%
Timur Pradopo	-	-	100%	-	100%
Bambang Widaryatmo	-	-	100%	-	100%

(1) Directors' fees are subject to the approval of shareholders of the Company at the forthcoming AGM.

(2) Mr Po Sun Kok and Mr Nico Purnomo Po are father and son.

(3) Other benefits include transport allowance paid during FY2014.

Mr Tan Nan Choon, alternate director to Mr Tan Kay Kiang, was not paid any remuneration for FY2014.

Remuneration of key executives (who are not Directors) for FY2014

Remuneration Band and Name of key executive(1)	Base/Fixed Salary	Bonus	Other Benefits	Total
Below S$250,000				
Susie Thng Sock Ching	92%	8%	-	100%
Hendry Gunawan Sugianto	92%	8%	-	100%
Becky Ng Bee Kian	92%	8%	-	100%

(1) The Company has only three (3) key executives who are not Directors in FY2014.

Save as disclosed above, the Company does not have any employee who is an immediate family member of any Director and whose remuneration exceeds S$50,000 during FY2014. Currently, the Company does not have any employee share option scheme. The RNC will recommend the implementation of employee share option scheme as and when it considers appropriate.

After due consideration, the Board has decided not to disclose the remuneration of the individual Directors and key executives in full due to the competitive pressures and disadvantages that may result from such disclosure as well as for confidentiality reasons.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board endeavors to ensure that the annual audited financial statements and half yearly announcements of the Group's financial results present a balanced and understandable assessment of the Group's performance, position and prospects. The Board embraces openness and transparency in the conduct of the Company's affairs, whilst preserving the commercial interests of the Company. Financial and other price sensitive information are disseminated to shareholders through announcements and press releases via SGXNET on a timely basis.

During the financial year, the Board has reviewed reports submitted by the Management to ensure compliance with all the Group's policies, operational practices and procedures and relevant legislative and regulatory requirements.

The Management also regularly provides the Board with appropriate detailed management accounts of the Group's performance, position and prospects to enable the Board to make a balanced and informed assessment of the Group's financial position, performance and prospects.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which Board is willing to take in achieving its strategic objectives.

Risk Management

The Group currently does not have a separate Risk Management Committee but the Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Management, together with the internal auditors, reviews significant control policies and procedures of the Group and will highlight all significant matters, if any, to the Directors and the AC. The following have been identified as significant risk factors relevant to the Group's operations:

1. Regulatory risks

   The Group is subject to various laws and regulations in all of the jurisdictions in which it operates, including those relating to property development.

   Changes or concessions required by regulatory authorities could also involve significant costs and delay or prevent completion of the construction or opening of a project or could result in the loss of an existing license.

2. Interest rate risks

   The Group's and the Company's exposure to interest rate risk arises primarily from the loans and borrowings.

3. Liquidity of real estate investments

   Investment in high value properties such as those in which the Group has invested or intend to invest, are relatively illiquid. Such illiquidity may affect the Group's ability to vary its investment portfolio or liquidate part of its assets in response to changes in the economy, changes to the real estate market or other conditions.

In 2013, the Company, together with the internal auditors, has formalised the Group's Risk Management Policies and Procedures to facilitate the Board in identifying key operational, strategic, financial, compliance and information technology risks with reference to the Company's business goals, strategies and corporate philosophy. With the formalisation of the Group's Risk Management Policies and Procedures, the internal auditors had assisted the Company in the execution of the risk management processes and discussed with the key management personnel on the same. In the process, the Company's risk tolerance levels have been established and adopted, and the Board has overseen the Management in the design, implementation and monitoring of the risk management and internal control systems. The internal auditors had also evaluated the effectiveness of the internal controls implemented to manage the identified risks based on the results of the risk assessment process executed.

Internal Controls

The effectiveness of the internal financial control systems and procedures are monitored by the Management. The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

Apart from the above, the AC also commissions and reviews the findings of internal controls or infringement of any Singapore laws, rules or regulations which has or is likely to have a material impact on the Group's operating results and/or financial position. During FY2014, the AC, on behalf of the Board, has reviewed the effectiveness of the Group's material internal controls, including financial, operational and compliance controls, and risk management on an annual basis. The processes used by the AC to review the effectiveness of the system of internal control and risk management include:

(a) discussions with the Management on risks management;

(b) the internal audit processes;

(c) the review of external and internal audit plans; and

(d) the review of significant issues raised by the external and internal auditors.

Based on the framework of risk management and internal controls established and maintained by the Group, the review performed by the Management and the AC, the work performed by the internal auditors and the review undertaken by the external auditors as part of their statutory audit, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including financial, operational and compliance controls, and risk management systems, are adequate to meet the needs of the Group in its current business environment.

The Board has also received written assurance from the CEO and the Accounting and Finance Manager that:

(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the Group's risk management and internal control systems were effective.

Audit Committee

Principle 12: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

Currently, the AC comprises three (3) non-executive Directors, a majority of whom including the Chairman are independent. The Chairman is not a substantial shareholder of the Company or directly associated with any substantial shareholder of the Company.

The members of the AC are as follows:

Mr Koh Teng Kiat - Chairman *(Ceased on 4 April 2014)*
Mr James Kho Chung Wah - Chairman *(Appointed on 4 April 2014)*
Mr Low Chai Chong
Mr Tan Kay Kiang

The members of the AC have many years of experience in senior management positions in both financial and industrial sectors. The Board is of the opinion that the members of the AC are appropriately qualified to discharge their responsibilities.

CORPORATE GOVERNANCE REPORT

The main objective of the AC is to assist the Board in fulfilling the fiduciary responsibilities of the Company and each of its subsidiaries. The AC, pursuant to its written terms of reference, shall:

(a) recommend to the Board the appointment or re-appointment and approving the remuneration and terms of engagement of the external auditors and internal auditors;

(b) review the audit plans of the internal and external auditors of the Company, and review the internal auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Company's management to the internal and external auditors;

(c) evaluate the effectiveness of both the internal and external audit efforts through regular meetings;

(d) determine that no unwarranted management restrictions are being placed upon the external and internal auditors;

(e) review the financial statements with the Management and external auditors (where applicable) for submission to the Board;

(f) review the half yearly and annual announcements of the results of the Group before submission to the Board for approval;

(g) report to the Board summarising the work performed by the AC in carrying out its functions;

(h) review interested person transactions;

(i) have explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;

(j) review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external and internal auditors;

(k) meet with the external and internal auditors, without the presence of the Management, at least annually;

(l) review the independence of the external auditors annually; and

(m) review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties).

In additional to the activities undertaken to fulfil its responsibilities, the AC is kept abreast by the Management, external and internal auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation from the Management as well as full discretion to invite any Director or executive officer of the Group to attend its meetings, and is given reasonable resources to enable it to discharge its functions properly.

For FY2014, the AC held two (2) meetings.

The AC has met the external auditors and the internal auditors, without the presence of the Management, for the financial year under review.

The Company's external auditors are Ernst & Young LLP. During FY2014, the aggregate amount of fees paid and/or payable to the external auditors for audit services amounted to approximately S$161,000. During FY2014, there were no non-audit services rendered by the external auditors to the Group .The AC has confirmed the independence and objectivity of the external auditors. As such, the AC has recommended to the Board that Ernst & Young LLP be nominated for re-appointment as external auditors of the Company at the forthcoming AGM of the Company.

The Company has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of auditing firms for the Group. No former partner or director of the Company's existing auditing firm is a member of the AC.

Whistle-Blowing Policy

The Board undertakes to investigate complaints of suspected fraud in an objective manner and has put in place a whistle-blowing policy and procedures which provide employees with well-defined and accessible channels within the Group including a direct channel to the AC, for reporting suspected fraud, corruption, dishonest practices or other similar matters.

The policy aims to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be treated fairly and, to the extent possible, be protected from reprisal. On an ongoing basis, the whistle-blowing policy is covered during staff training as part of the Group's efforts to promote fraud control awareness.

The policy and its effectiveness will be reviewed by the AC periodically, with recommendations regarding updates or amendments, if any, to be made to the Board as required.

Internal Audit

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The AC's responsibilities over the Group's internal controls and risk management are complemented by the work of the internal auditors. The size of the operations of the Group does not warrant the Group having an in-house internal audit function. The Company has outsourced its internal audit function to an external professional firm to perform the review and test of controls of the Group's processes in FY2014. The AC approves any hiring, removal, evaluation and remuneration of the external professional firm to which the internal audit function is outsourced. The AC has reviewed and assessed the qualifications and experience of the appointed internal audit firm's team which undertakes the function of its internal audit within the Group.

The internal auditors report primarily to the Chairman of the AC. The internal auditors plan their internal audit schedules in consultation with, but independent of, the Management. The internal auditors have unrestricted access to all the Company's documents, records, properties and personnel, including access to the AC. The internal auditors are guided by the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC has reviewed the scope and findings of the internal audit performed by the internal auditors during FY2014 and the Management's responses thereto. The AC will assess and ensure the adequacy of the internal audit function annually.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognize, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Communication with Shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Board is mindful of its obligations to provide timely and fair disclosure of material information to the SGX-ST in accordance with Appendix 7A on "Corporate Disclosure Policy" of the Catalist Rules. The Board embraces openness and transparency in the conduct of the Company's affairs, whilst safeguarding its commercial interests. The Board's policy is that all shareholders should be equally informed on a timely basis of all major developments that impact the Group. Price sensitive information, results and annual reports of the Company are released via SGXNET. A copy of the Annual Report, together with the notice of AGM, is sent to every shareholder. Such notice is also advertised in a daily newspaper.

General meetings have been and are still the principal forum for dialogue with shareholders. The Board welcomes the views of the shareholders on matters affecting the Company. All Board members, including the Chairmen of the AC and the RNC, and the external auditors are normally available at general meetings of the Company to answer questions from the shareholders. Registered shareholders are invited to attend and participate actively in such meetings. These meetings provide excellent opportunities for the Company to obtain shareholders' views on value creation. Shareholders can vote in person or by appointing up to two (2) proxies to attend and vote on their behalf at the meetings through proxy forms sent to the Company's registered office in advance.

The Company's Articles of Association does not allow shareholders to vote in absentia. The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

Substantially separate issues are tabled in separate resolutions at general meetings. Voting is carried out systemically, and the votes casted and resolutions passed are properly recorded. The Company will employ electronic polling if necessary.

The Company Secretary prepares minutes of general meetings, which incorporates substantial comments or queries from shareholders and responses from the Board and the Management (if any). These minutes will be made available to shareholders upon request.

Currently, the Company does not have a fixed divided policy. The Board would consider establishing a dividend policy at the appropriate time.

In considering the payment of dividend, the Board shall consider factors such as the Company's profits, cash flow, working capitals and capital expenditure requirements, investment plans and other factors that the Board may deem appropriate. Taking into consideration these factors, the Company has not declared any dividends for FY2014.

DEALINGS IN THE COMPANY'S SECURITIES

The Company has issued a guideline on share dealings to all Directors and employees of the Group which sets out the code of conduct on transactions in the Company's shares by these persons, the implications of insider trading and general guidance on the prohibition against such dealings.

In line with Rule 1204(19) of the Catalist Rules, the Company issues a notification to all Directors and officers of the Group informing them that they are not allowed to deal in the securities of the Company during the periods commencing one month before the announcement of the Company's half-year or full-year financial results until after the announcement of the relevant results. In addition, the Company prohibits all Directors and officers of the Group from dealing in the Company's shares on short-term consideration or when they are in possession of unpublished price-sensitive information.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures governing all interested person transactions to ensure that they are properly reviewed and approved. The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules. Save as disclosed in the "Material Contracts" section set out below and excluding interested person transactions with a value of less than S$100,000 each, there were no interested person transactions entered into during FY2014.

MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company or its subsidiaries involving the interests of the CEO, any Director or controlling shareholder, either still subsisting at the end of FY2014 or if not then subsisting, entered into since the end of the previous financial year:

(a) Joint Venture and Subscription Agreement dated 15 March 2012 between the Company, Pollux Botero Pte. Ltd. ("Pollux Botero") and Goldman Morgan Holdings Pte. Ltd. ("Goldman Morgan"), a company wholly-owned by Nico Purnomo Po (Director and CEO of the Company), in relation to the joint venture of Pollux Botero between the Company and Goldman Morgan;

(b) During FY2014, Goldman Morgan had extended a loan amounting to S$509,399 to Pollux Botero. This loan is unsecured and interest-free, and is repayable on demand; and

(c) During FY2014, Pollux Treasures Pte. Ltd., a company wholly-owned by Pollux Botero, had extended a loan amounting to S$16,000,000.00 to the Company and Goldman Morgan. This loan is unsecured and interest-free, and is repayable on demand.

NON-SPONSOR FEES

With reference to Rule 1204(21) of the Catalist Rules, there was no non-sponsor fee paid to the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd., for FY2014.

CORPORATE SOCIAL RESPONSIBILITY

We are committed to protecting and conserving the environment that our business operates in.

We adopts strategies which are more socially responsible by incorporating more greens, landscaping, better facilities and innovative house design into our projects to improve the quality of the environment.

We strongly encourage our staff to recycle items and to reduce wastage; employees are encouraged to donate unwanted but usable items to charitable organisations and participate in volunteer works and activities.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Pollux Properties Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2014.

Directors

The directors of the Company in office at the date of this report are:

Nico Purnomo Po	
Tan Kay Kiang	
Low Chai Chong	
Bambang Widaryatmo	(Appointed on 18 March 2014)
Timur Pradopo	(Appointed on 18 March 2014)
James Kho Chung Wah	(Appointed on 29 May 2014)
Tan Nan Choon	(Alternate director to Tan Kay Kiang)

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares or debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act, Chapter 50, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of director	**At the beginning of financial year or date of appointment**	**At the end of financial year**	**At the beginning of financial year or date of appointment**	**At the end of financial year**
<u>The Company</u>				
Pollux Properties Ltd.				
(Ordinary shares)				
Nico Purnomo Po	1,268,000	1,268,000	372,014,384	372,014,384
Tan Kay Kiang	1,549,920	1,549,920	74,111,960	74,111,960
Tan Nan Choon	3,310,000	3,310,000	–	–
Low Chai Chong	–	–	200,000	200,000

Directors' interests in shares or debentures (cont'd)

By virtue of Section 7 of the Companies Act, Chapter 50, Mr Nico Purnomo Po is deemed to have interests in shares of the subsidiaries of the Company.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, shares options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2014.

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company under option at the end of financial year.

Audit Committee

The audit committee (AC) carried out its functions in accordance with section 201B(5) of the Companies Act, Chapter 50, including the following:

- Reviews the audit plans of the internal and external auditors of the Company, and reviews the internal auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Company's management to the internal and external auditors;
- Reviews the half yearly and annual financial statements and the auditors' report on the annual financial statements of the Company before their submission to the board of directors;
- Reviews effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditors;
- Meets with the external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviews the cost effectiveness and the independence and objectivity of the external auditors;
- Reviews the nature and extent of non-audit services provided by the external auditors;

Audit Committee (cont'd)

- Recommends to the board of directors the external auditors to be nominated, approves the compensation of the external auditors, and reviews the scope and results of the audit;

- Reports actions and minutes of the AC to the board of directors with such recommendations as the AC considers appropriate; and

- Reviews interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited (SGX-ST)'s Listing Manual.

During the financial year, no non-audit services were provided by the external auditors to the Group. The AC has also conducted a review of interested person transactions.

The AC convened two meetings during the financial year and has also met with external auditors and internal auditors without the presence of the company's management during the financial year.

Further details regarding the AC are disclosed in the Corporate Governance Report.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the Board of Directors,

Nico Purnomo Po
Director

Tan Kay Kiang
Director

Singapore
27 June 2014

STATEMENT BY DIRECTORS

We, Nico Purnomo Po and Tan Kay Kiang, being two of the directors of Pollux Properties Ltd., do hereby state that, in the opinion of the directors,

(i) the accompanying balance sheets, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2014 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date, and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,

Nico Purnomo Po
Director

Tan Kay Kiang
Director

Singapore
27 June 2014

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to the Members of Pollux Properties Ltd.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Pollux Properties Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), set out on pages 44 to 97, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 March 2014, the consolidated income statement, consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2014 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
27 June 2014

CONSOLIDATED INCOME STATEMENT

For the Financial Year Ended 31 March 2014

	Note	2014 $	2013 $
Continuing operations			
Revenue	4	24,117,112	10,495,623
Cost of sales	5	(21,432,117)	(7,902,143)
Gross profit		2,684,995	2,593,480
Other items of income			
Other operating income		209,597	120,954
Other items of expenses			
Selling and distribution		(360,670)	(284,945)
General and administrative expenses		(1,961,418)	(2,185,911)
Finance costs	6	(134,276)	(95,663)
Share of results of joint venture		263,771	(65,831)
Profit before tax from continuing operations	7	701,999	82,084
Income tax expense	8	(543,711)	(55,365)
Profit from continuing operations, net of tax		158,288	26,719
Discontinued operations			
Profit from discontinued operations, net of tax	9	69,483	68,356
Profit for the financial year		227,771	95,075
Attributable to:			
Owners of the Company			
Profit from continuing operations, net of tax		158,288	26,719
Profit from discontinued operations, net of tax		69,483	68,356
Profit attributable to owners of Company		227,771	95,075
Non-controlling interests			
Profit from discontinued operations, net of tax		–	–
Profit for the financial year attributable to non-controlling interests		–	–
Earnings per share from continuing operations attributable to owners of the parent (cents per share)			
- Basic	10	0.025	0.004
- Diluted	10	0.025	0.004
Earnings per share (cents per share)			
- Basic	10	0.04	0.02
- Diluted	10	0.04	0.02

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Financial Year Ended 31 March 2014

	2014 $	2013 $
Profit for the financial year, net of tax	227,771	95,075
Other comprehensive income for the financial year, net of tax	–	–
Total comprehensive income for the financial year	227,771	95,075
Attributable to:		
Owners of the Company	227,771	95,075
Non-controlling interests	–	–
Total comprehensive income for the financial year	227,771	95,075
Total comprehensive income attributable to:		
Owners of the Company		
Total comprehensive income from continuing operations, net of tax	158,288	26,719
Total comprehensive income from discontinued operations, net of tax	69,483	68,356
Total comprehensive income for the financial year attributable to owners of the Company	227,771	95,075

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 March 2014

	Note	Group 2014 $	Group 2013 $	Company 2014 $	Company 2013 $
Non-current assets					
Property, plant and equipment	11	489,202	74,205	44,851	74,205
Investment properties	12	50,538,855	31,702,162	–	–
Investment in subsidiaries	13	–	–	6	8
Investment in associate	14	–	–	–	–
Investment in a joint venture	15	195,307	(68,464)	1	1
Other receivables	19	–	2,633,366	–	2,633,366
Deferred tax assets	8	–	38,286	–	–
Current assets					
Land held for development	16	17,956,549	55,270,667	–	–
Properties under development	17	43,996,756	16,419,138	–	–
Trade receivables	18	3,591,372	6,214	–	–
Other receivables and deposits	19	3,197,516	1,183,041	3,004,633	626,162
Prepaid operating expenses		514,256	50,713	348,761	28,122
Due from subsidiaries	20	–	–	50,080,446	43,900,380
Due from joint venture	21	557,487	4,458,630	557,487	4,458,630
Cash and cash equivalents	22	9,711,110	7,001,203	1,604,492	10,018
		79,525,046	84,389,606	55,595,819	49,023,312
Assets held for sale/assets of disposal group classified as held for sale	9	–	2,499,351	–	2,499,351
Total assets		130,748,410	121,268,512	55,640,677	54,230,243
Equity and liabilities					
Current liabilities					
Trade payables	23	5,835,860	1,094,780	–	–
Other payables and accruals	24	1,924,591	1,449,903	929,035	969,915
Provision for taxation	8	624	16,428	–	–
Loans and borrowings	25	20,420,616	12,636,984	–	–
Loan from joint venture	26	8,000,000	–	8,000,000	–
Due to subsidiaries	27	–	–	1,020,000	4,720,000
Due to a director	28	–	1,950,000	–	1,950,000
		36,181,691	17,148,095	9,949,035	7,639,915
Net current assets		43,343,355	67,241,511	45,646,784	41,383,397
Non-current liabilities					
Deferred tax liabilities	8	374,532	68,018	–	–
Loans and borrowings	25	47,479,806	57,567,789	–	–
Total liabilities		84,036,029	74,783,902	9,949,035	7,639,915
Net assets		46,712,381	46,484,610	45,691,642	46,590,328
Equity attributable to owners of the parent					
Share capital	29	54,508,876	54,508,876	54,508,876	54,508,876
Revenue reserve		(7,796,495)	(8,024,266)	(8,817,234)	(7,918,548)
Total equity		46,712,381	46,484,610	45,691,642	46,590,328
Total equity and liabilities		130,748,410	121,268,512	55,640,677	54,230,243

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2014

	Attributable to equity holders of the Company			
	Share capital $	**Revenue reserve** $	**Non-controlling interests** $	**Total equity** $
Group				
At 1 April 2012	54,508,876	(8,119,341)	230,649	46,620,184
Profit net of tax, representing total comprehensive income for the financial year	–	95,075	–	95,075
Disposal of non-controlling interest	–	–	(230,649)	(230,649)
At 31 March 2013 and 1 April 2013	54,508,876	(8,024,266)	–	46,484,610
Profit net of tax, representing total comprehensive income for the financial year		227,771		227,771
At 31 March 2014	54,508,876	(7,796,495)	–	46,712,381
Company				
At 1 April 2012	54,508,876	(9,257,429)	–	45,251,447
Profit net of tax, representing total comprehensive income for the financial year	–	1,338,881	–	1,338,881
At 31 March 2013 and 1 April 2013	54,508,876	(7,918,548)	–	46,590,328
Profit net of tax, representing total comprehensive income for the financial year	–	(898,686)	–	(898,686)
At 31 March 2014	54,508,876	(8,817,234)	–	45,691,642

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 March 2014

	Note	2014 $	2013 $
Cash flows from operating activities			
Profit before tax from continuing operations		701,999	82,084
Profit before tax from discontinued operations		69,483	68,356
Profit before tax, total		771,482	150,440
Adjustments for:			
Depreciation expenses for plant and equipment	11	37,097	32,512
Depreciation expenses for investment property	12	8,610	8,610
Share of results of joint venture		(263,771)	65,831
Dividend income from quoted investment securities		–	(77,942)
Interest expense	6	131,815	92,359
Impairment loss on quoted investment		–	752,923
Gain on disposal of subsidiaries		–	(1,293,771)
Impairment loss on unquoted investment		–	22,218
Gain on sale of quoted investments		(90,080)	–
Additional gain on disposal of investment		(444,351)	–
Operating cash flows before working capital changes		150,802	(246,820)
Decrease/(increase) in:			
Trade receivables		(3,585,158)	(6,214)
Other receivables, deposits and prepayments		155,348	2,808,630
(Decrease)/increase in:			
Properties under development		29,013,219	(864,382)
Investment properties		(18,454,922)	(205,595)
Land held for development properties		(17,275,334)	(2,850,797)
Trade payables		4,741,080	995,004
Other payables and accruals		474,688	462,142
Due to related parties		–	(362,760)
Cash used in operations		(4,780,277)	(270,792)
Income taxes paid		(214,715)	(9,202)
Interest paid		(2,523,581)	(1,595,802)
Net cash flows used in operating activities		(7,518,573)	(1,875,796)
Cash flows from investing activities			
Net cash outflow on disposal of subsidiaries		–	(108,214)
Dividend income from quoted investments		–	77,942
Proceeds from disposal of quoted investment		2,589,431	–
Purchase of plant and equipment		(7,743)	(30,005)
Net cash flows from/(used in) investing activities		2,581,688	(60,277)
Cash flows from financing activities			
Loan from joint venture	26	8,000,000	–
Receipts from joint venture	21	3,901,143	–
Repayment of loan and borrowing		(11,636,984)	(8,497,984)
Proceeds from bank term loans		9,332,633	10,511,961
(Repayment of loan to)/advances from a director		(1,950,000)	1,950,000
Net cash from financing activities		7,646,792	3,963,977
Net increase in cash and cash equivalents		2,709,907	2,027,904
Cash and cash equivalents at beginning of financial year		7,001,203	4,973,299
Cash and cash equivalents at end of financial year	22	9,711,110	7,001,203

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

Pollux Properties Ltd. (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 391A Orchard Road, #08-07, Ngee Ann City Tower A, Singapore 238873.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $).

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2013. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

Accordingly to the transition provisions of FRS 113 Fair Value Measurement, FRS 113 has been applied prospectively by the Group on 1 April 2013.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Revised FRS 27 Separate Financial Statements	1 January 2014
Revised FRS 28 Investments in Associates and Joint Ventures	1 January 2014
FRS 110 Consolidated Financial Statements	1 January 2014
FRS 111 Joint Arrangements	1 January 2014
FRS 112 Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to the transition guidance of FRS 110 Consolidated Financial Statements, FRS 111 Joint Arrangements and FRS 112 Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 110, FRS 112 and FRS 27: Investment Entities	1 January 2014
Amendments to FRS 36: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to FRS 39 Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
Improvements to FRS (January 2014)	1 July 2014
Amendments to FRS 19 Defined Benefit Plans: Employee Contribution	1 July 2014
Improvements to FRS (February 2014)	1 July 2014

2.3 Standards issued but not yet effective (cont'd)

Except for FRS 111, Revised FRS 28 and FRS 112, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 111, Revised FRS 28 and FRS 112 are described below.

FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures

FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures are effective for financial periods beginning on or after 1 January 2014.

FRS 111 classifies joint arrangements either as joint operations or joint ventures. Joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities of the arrangement whereas joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

FRS 111 requires the determination of joint arrangement's classification to be based on the parties' rights and obligations under the arrangement, with the existence of a separate legal vehicle no longer being the key factor. FRS 111 disallows proportionate consolidation and requires joint ventures to be accounted for using the equity method. The revised FRS 28 was amended to describe the application of equity method to investments in joint ventures in addition to associates.

The Group currently applies equity consolidation method for its joint ventures. Upon adoption of FRS 111, the Group does not expect any impact on the Group's financial statement presentation.

FRS 112 Disclosure of Interests in Other Entities

FRS 112 Disclosure of Interests in Other Entities is effective for financial periods beginning on or after 1 January 2014.

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. As this is a disclosure standard, it will have no impact to the financial position and financial performance of the Group when applied in 2014.

2.4 Basis of consolidation and business combinations

(A) Basis of consolidation

Basis of consolidation from 1 January 2010

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.4 Basis of consolidation and business combinations (cont'd)

(A) Basis of consolidation (cont'd)

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;
– De-recognises the carrying amount of any non-controlling interest;
– De-recognises the cumulative translation differences recorded in equity;
– Recognises the fair value of the consideration received;
– Recognises the fair value of any investment retained;
– Recognises any surplus or deficit in profit or loss;
– Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

<u>Basis of consolidation prior to 1 January 2010</u>

Certain of the above-mentioned requirements were applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

– Acquisition of non-controlling interests, prior to 1 January 2010, were accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired were recognised in goodwill.
– Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further losses were attributed to the Group, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 January 2010 were not reallocated between non-controlling interest and the owners of the Company.
– Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying value of such investments as at 1 January 2010 have not been restated.

(B) Business combinations

<u>Business combinations from 1 January 2010</u>

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not be remeasured until it is finally settled within equity.

2.4 Basis of consolidation and business combinations (cont'd)

(B) Business combinations (cont'd)

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

<u>Business combinations prior to 1 January 2010</u>

In comparison to the above mentioned requirements, the following differences applied:

Business combinations are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. Any additional acquired share of interest did not affect previously recognised goodwill.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that otherwise would have been required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognised as part of goodwill.

2.5 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 *Foreign currency*

The Group's consolidated financial statements are presented in Singapore Dollars, which is also the Company's functional currency. The management has determined the currency of the primary economic environment in which the Group and its subsidiaries operates i.e. functional currency, to be SGD. Sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuations in SGD.

2.7 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.20. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvement	–	3 years
Motor vehicles	–	5 years
Office equipment	–	5 years
Computers and software	–	3 years
Furniture and fittings	–	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the income statement in the year the asset is derecognised.

2.8 *Investment properties*

Investment properties are properties that are owned by the Group to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to recognition, investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

2.8 Investment properties (cont'd)

Transfers are made to investment properties only when there is a change in use. The transfer from development property to investment property will be made at carrying value.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation for the building is computed on a straight-line basis over the lesser of estimated useful life of 30 years.

2.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.10 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.11 *Associates*

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Group's share of the net fair value of the associate's identifiable asset, liabilities and contingent liabilities over the cost of the investment is included as income in the determination of the Group's share of results of the associate in the period in which the investment is acquired.

The profit or loss reflects the share of the results of operations of the associates. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

The Group's share of the profit or loss of its associates is shown on the face of profit or loss after tax and non-controlling interests in the subsidiaries of associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

2.12 *Joint venture*

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The Group recognises its interest in the joint venture using the equity consolidation method. The Group records the interest in the jointly controlled entity at cost and adjusted thereafter for the post acquisition change in the venturer's share of net assets of the jointly controlled entity. The income statement reflects the venturer's share of the results of operations of the jointly controlled entity. The Group includes separate line items for its share of the assets, liabilities, income and expenses of the joint venture in the financial statement.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intragroup balances, income and expenses and unrealised gains and losses on such transactions between the Group and its jointly controlled entity. Losses on transactions are recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

The financial statements of the joint venture are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies into line with those of the Group.

2.12 Joint venture (cont'd)

Upon loss of joint control, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the former jointly controlled entity upon loss of joint control and the aggregate of the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.13 Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

The Group classifies the following financial assets as loans and receivables:

- cash and cash equivalents; and
- trade and other receivables and deposits.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.14 *Impairment of financial assets*

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired.

(a) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

(b) *Financial assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.15 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand which are subject to an insignificant risk of changes in value.

Cash at banks includes amounts collected from the sale of the property under development for which withdrawals are restricted to payments for expenditure incurred on development projects.

2.16 *Construction contracts*

The Group principally operates fixed price contracts. Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period (the percentage of completion method), when the outcome of a construction contract can be estimated reliably.

The outcome of a construction contract can be estimated reliably when: (i) total contract revenue can be measured reliably; (ii) it is probable that the economic benefits associated with the contract will flow to the entity; (iii) the costs to complete the contract and the stage of completion can be measured reliably; and (iv) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

When the outcome of a construction contract cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as expense in the period in which they are incurred.

An expected loss on the construction contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

In applying the percentage of completion method, revenue recognised corresponds to the total contract revenue (as defined below) multiplied by the actual completion rate based on the proportion of total contract costs (as defined below) incurred to date and the estimated costs to complete.

Contract revenue – Contract revenue corresponds to the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue; and they are capable of being reliably measured.

Contract costs – Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that relate directly to a specific contract comprise: site labour costs (including site supervision); costs of materials used in construction; depreciation of equipment used on the contract; costs of design, and technical assistance that is directly related to the contract.

The Group's contracts are typically negotiated for the construction of a single asset or a group of assets which are closely interrelated or interdependent in terms of their design, technology and function. In certain circumstances, the percentage of completion method is applied to the separately identifiable components of a single contract or to a group of contracts together in order to reflect the substance of a contract or a group of contracts.

Assets covered by a single contract are treated separately when:

- Separate proposals have been submitted for each asset
- Each asset has been subject to separate negotiation and the contractor and customer have been able to accept or reject that part of the contract relating to each asset
- The costs and revenues of each asset can be identified

A group of contracts are treated as a single construction contract when:

- The group of contracts are negotiated as a single package; the contracts are so closely interrelated that they are, in effect, part of a single project with an overall profit margin
- The contracts are performed concurrently or in a continuous sequence

2.17 *Development properties*

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and are stated at the lower of cost plus, where appropriate, a portion of attributable profit, and estimated net realizable value; net of progress billings.

The costs of development properties include:-

- Freehold rights for land;
- Amounts paid to contractors for construction; and-
- Borrowing costs, planning and design costs, cost of site preparation, professional fees for legal services, construction overheads and other related costs.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Allowance for foreseeable losses on development properties is made when it is anticipated that the net realizable value has fallen below cost.

Net realisable value of development properties is the estimated selling price in the ordinary course of the business, based on market prices at the end of the reporting period and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale. For residential development projects under progressive payment scheme in Singapore, whereby the legal terms in the sale contracts result in continuous transfer of work-in-progress to the purchasers, revenue is recognised based on the percentage of completion method in accordance with the Accompany Note to INT FRS 115. Under the percentage of completion method, profit is brought into profit or loss only in respect of sales procured and to the extent that such profit relates to the progress of construction work. The progress of construction work is measured by the proportion of the construction costs incurred to date to the estimated total construction costs for each project.

Progress payments received from purchasers of units for sales are shown as a deduction from the cost of the development properties.

2.18 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

<u>Financial liabilities at fair value through profit or loss</u>

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

<u>Other financial liabilities</u>

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

<u>De-recognition</u>

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.20 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.21 *Employee benefits*

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

2.22 *Leases*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of INT FRS 104.

(a) As lessee

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.24(e).

2.23 *Financial guarantee*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.24 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

(a) *Sale of development property units*

The accounting policy for revenue recognition for sale of partially completed and fully completed development properties is set out in Note 2.17.

(b) *Rental income*

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

2.25 Income taxes

(a) *Current tax*

Current tax assets and liabilities for the current period and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subjected to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.25 Income taxes (cont'd)

(b) *Deferred tax (cont'd)*

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(c) *Goods and services tax ("GST")*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.26 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 33, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.27 *Share capital and share issue expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.28 *Contingencies*

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

 (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.29 *Related parties*

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

 (i) Has control or joint control over the Company;
 (ii) Has significant influence over the Company; or
 (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

 (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 (iii) Both entities are joint ventures of the same third party.
 (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 (vi) The entity is controlled or jointly controlled by a person identified in (a).
 (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.30 Discontinued operations

A component of the Group is classified as "discontinued operations" when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated major line of business or geographical area of operations.

In profit or loss of the current reporting period, and of the comparative period of the previous year, all income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in profit or loss.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

No judgements were made by management in the process of applying the Group's accounting policies.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur:

(a) Income taxes

Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made. The carrying amount of the Group's provision for taxation, deferred tax liabilities and deferred tax assets at 31 March 2014 was $624 (2013: $16,428), $374,532 (2013: $68,018) and $NIL (2013: $38,286) respectively.

(b) Revenue recognition on development properties under construction

The Group recognises revenue from sale of partially completed development properties based on the percentage of completion method. The stage of completion is measured in accordance with the accounting policy stated in Note 2.17. Significant estimation is required in determining the percentage of completion, the expected total contract costs and the profitability of the contract. In making these assessments, the Group relies on best estimates of project costs, taking into account total committed development costs, signed sales contracts and certified development costs incurred to date.

3.2 Key sources of estimation uncertainty (cont'd)

(c) Provision for foreseeable losses on projects

In estimating the foreseeable losses, management makes reference to the information such as (i) current quotes from sub-contractors and suppliers, (ii) recent quotes agreed with sub-contractors and suppliers, (iii) estimates on construction and material costs, and (iv) stages of completion of the contracts.

The Group estimated the stages of completion of the contract by reference to professional surveys of work performed.

(d) Impairment of non-financial assets

The Group assess whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

4. Revenue

	Group	
	2014	**2013**
	$	$
Sale of development properties (recognised on percentage of completion basis)	23,787,440	9,556,606
Rental income	329,672	939,017
	24,117,112	10,495,623

5. Cost of sales

	Group	
	2014	**2013**
	$	$
Cost of sales in relation to development properties	21,432,117	7,902,143

6. Finance costs

	Group	
	2014	2013
	$	$
Interest expense		
- term loans	131,815	92,359
Bank charges	2,461	3,304
	134,276	95,663

7. Profit before tax

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

Continuing operations

	Group	
	2014	2013
	$	$
Dividend income	–	(77,942)
Audit fees to:		
- auditors of the Group	154,600	118,000
- under provision in prior year	25,000	–
Depreciation of plant and equipment	37,097	32,512
Depreciation of investment property	8,610	8,610
Director’s fees	125,835	188,074
Employee benefits expense (Note 32)	721,406	837,028
Rental expenses	742,256	651,154

Discontinued operations

	Group	
	2014	2013
	$	$
Additional gain on disposal of investment (Note 9)	(444,351)	–
Legal fees incurred due to warranty	374,868	–
Impairment loss on unquoted investment	–	22,218
Impairment loss on quoted investment	–	752,923

8. Income tax

	Group	
	2014	2013
	$	$
Current income tax – continuing operations		
- Current income taxation	624	16,428
- Under provision in respect of prior years	198,287	9,205
	198,911	25,633
Deferred tax – continuing operations		
- Origination and reversal of temporary differences	412,818	29,732
- Over provision in respect of prior years	(68,018)	–
	344,800	29,732
Income tax attributable to continuing operations	543,711	55,365
Income tax attributable to discontinued operations (Note 9)	–	–
Income tax recognised in profit or loss	543,711	55,365

Relationship between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 March 2014 and 31 March 2013 is as follows:

	Group	
	2014	2013
	$	$
Profit before tax from continuing operations	701,999	82,084
Profit before tax from discontinued operations (Note 9)	69,483	68,356
Accounting profit before tax	771,482	150,440
Tax at statutory tax rate of 17% (2013: 17%)	131,152	25,575
Adjustments:		
Effect of partial tax exemption	(1,850)	(62,238)
Benefits from previously unrecognised tax losses	–	(217,657)
Deferred tax assets not recognised	283,794	43,355
Expenses not deductible for tax	143,161	245,934
Income not subject to tax	(97,974)	–
Under provision of current income tax in respect of prior years	198,287	9,205
Over provision of deferred tax in prior years	(68,018)	–
Share of tax on joint venture result	(44,841)	11,191
Income tax recognised in profit or loss	543,711	55,365

8. Income tax (cont'd)

Deferred income tax as at 31 March relates to the following:

	Group				Company	
	Balance sheet		Profit or loss		Balance sheet	
	2014	2013	2014	2013	2014	2013
Deferred tax liabilities:						
Attributable profit on development property	(667,225)	(78,031)	667,225	78,031	–	–
Unutilised tax losses	292,693	10,013	(292,693)	(10,013)	–	–
	(374,532)	(68,018)			–	–
Deferred tax assets:						
Unutilised tax losses	–	38,286	(29,732)	(38,286)	–	–
	–	38,286			–	–
Deferred income tax			344,800	29,732		

Unrecognised tax losses

As at 31 March 2014, certain subsidiaries in the Group have an aggregate unutilised tax loss of approximately $3,542,365 (2013: $1,872,986) available for offset against future taxable profits, for which no deferred tax assets are recognised on these amounts due to uncertainty of their utilisation. The utilisation of the tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation.

9. Discontinued operations, assets held for sale and disposal group classified as held for sale

Balance sheet disclosures

Assets held for sale

	Group	
	2014	**2013**
	$	$
Quoted investments	–	1,247,077
Unquoted investments	–	1,252,274
Assets of disposal group classified as held for sale	–	2,499,351

31 March 2014

(1) During the financial year, the Company disposed its quoted investment for a consideration of $1,309,431.

(2) Pursuant to the disposal of Asia Excel Pte. Ltd. ("Asia Excel") and in settlement of the contractual additional shares, the Company has on 27 May 2013 entered into an agreement with Asia Excel to transfer furniture and fittings amounting to S$444,351 to the Company. This amount has been recorded as additional gain on disposal of investment (Note 7).

(3) On 28 June 2013, the Company transferred all its 16% shareholding interest in the issued and paid-up share capital of Asia Excel to Pollux Monet Pte Ltd. ("Pollux Monet"), a wholly-owned subsidiary of the Company, for an aggregate consideration of $1,280,000.

(4) On 28 June 2013, the company entered into an investment agreement with Pollux Monet pursuant to which Pollux Monet issued to the Company a total of sixty-four (64) non-interest bearing convertible loan notes (the "Notes") with an aggregate principal amount of $1,280,000. The Notes shall be converted by the Company on 1 July 2014 or shall be redeemed by Pollux Monet by or before 1 July 2014.

(5) On 2 July 2013, the Company disposed the entire issued and paid-up share capital of Pollux Monet to a third party for a consideration of $2.00. Under the sales and purchase agreement, Pollux Monet shall redeem the Notes on or before 1 July 2014.

31 March 2013

The following assets, obtained through the divestment of discontinued operations, are classified as assets held for sale:-

(1) Quoted investment of $1,247,077 that was disposed subsequent to 31 March 2013.

(2) Unquoted investment of $1,252,274. This comprises the Company's investment in Asia Excel Pte. Ltd. that was disposed subsequent to 31 March 2013 (Note 14).

9. Discontinued operations, assets held for sale and disposal group classified as held for sale (cont'd)

Income statement disclosures

The results of the discontinued operations for the financial years ended 31 March 2014 and 31 March 2013 are as follows:

	Group	
	2014	**2013**
	$	$
Revenue	–	542,574
Cost of sales	–	(315,099)
Gross profit	–	227,475
Other income	444,351	27,858
Other expenses	(374,868)	(1,480,678)
Gain on disposal of subsidiaries	–	1,293,771
Profit from operations	69,483	68,426
Interest income		–
Finance costs	–	(70)
Profit before tax from discontinued operations (Note 7)	69,483	68,356
Income tax expense (Note 8)	–	–
Profit from discontinued operations, net of tax	69,483	68,356

Earnings per share disclosures

	Group	
	2014	**2013**
	$	$
Earnings per share from discontinued operations attributable to owners of the parent (cents per share)		
- Basic	0.01	0.01
- Diluted	0.01	0.01

The basic and diluted earnings per share are calculated by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares for basic earnings per share computation and weighted average number of ordinary shares for diluted earnings per share computation respectively. These profit and share data are presented in tables in Note 10.

10. Earnings per share

Basic earnings per share from continuing operations are calculated by dividing earnings attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

10. Earnings per share (cont'd)

Diluted earnings per share from continuing operations are calculated by dividing earnings for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

There are no potential ordinary shares that are considered dilutive as the average market share price for the financial year is lower than the exercise price of the issued warrants.

The basic and diluted earnings per share are calculated by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares for basic earnings per share computation and weighted average number of ordinary shares for diluted earnings per share computation respectively, as follows:-

	Group	
	2014	**2013**
	No of shares	No of shares
Weighted average number of ordinary shares for basic earnings per share computation	622,615,384	622,615,384
Weighted average number of ordinary shares for diluted earnings per share computation	622,615,384	622,615,384

The following table reflect the earnings/(loss) used in the computation of basic and diluted earnings per share for the financial years ended 31 March 2014 and 31 March 2013:

	Group	
	2014	**2013**
	$	$
Profit for the financial year attributable to owners of the Company	227,771	95,075
Profit from discontinued operations, net of tax attributable to owners of the Company	69,483	68,356
Profit from continuing operations, net of tax, attributable to owners of the Company	158,288	26,719

11. Property, plant and equipment

Group	Leasehold improvement	Motor vehicles	Office equipment	Computers and software	Furniture and fittings	Total
	$	$	$	$	$	$
Cost						
At 1 April 2012	13,909	45,874	12,270	20,961	55,572	148,586
Additions	12,500	–	9,266	5,452	2,787	30,005
Disposals	–	(45,874)	–	–	–	(45,874)
At 31 March 2013 and 1 April 2013	26,409	–	21,536	26,413	58,359	132,717
Additions	–	–	1,278	4,665	446,151#	452,094
At 31 March 2014	26,409	–	22,814	31,078	504,510	584,811
Accumulated depreciation and impairment						
At 1 April 2012	4,636	45,874	4,055	6,194	11,115	71,874
Charge for the year	6,025	–	6,302	8,804	11,381	32,512
Disposals	–	(45,874)	–	–	–	(45,874)
At 31 March 2013 and 1 April 2013	10,661	–	10,357	14,998	22,496	58,512
Charge for the year	8,803	–	7,214	9,048	12,032	37,097
At 31 March 2014	19,464	–	17,571	24,046	34,528	95,609
Net book value						
At 31 March 2014	6,945	–	5,243	7,032	469,982	489,202
At 31 March 2013	15,748	–	11,179	11,415	35,863	74,205

Included in current year addition was furniture and fittings amounting to S$444,351 received from Asia Excel (Note 9).

11. Property, plant and equipment (cont'd)

Company	Leasehold improvement $	Office equipment $	Computers and software $	Furniture and fittings $	Total $
Cost					
At 1 April 2012	13,909	12,270	20,961	55,572	102,712
Additions	12,500	9,266	5,452	2,787	30,005
At 31 March 2013 and 1 April 2013	26,409	21,536	26,413	58,359	132,717
Additions	–	1,278	4,665	1,800	7,743
At 31 March 2014	26,409	22,814	31,078	60,159	140,460
Accumulated depreciation					
At 1 April 2012	4,636	4,055	6,194	11,115	26,000
Charge for the year	6,025	6,302	8,804	11,381	32,512
At 31 March 2013 and 1 April 2013	10,661	10,357	14,998	22,496	58,512
Charge for the year	8,803	7,214	9,048	12,032	37,097
At 31 March 2014	19,464	17,571	24,046	34,528	95,609
Net book value					
At 31 March 2014	6,945	5,243	7,032	25,631	44,851
At 31 March 2013	15,748	11,179	11,415	35,863	74,205

12. Investment properties

Group	Completed investment property	Investment property under refurbishment	Total
	$	$	$
Balance sheet:			
At 1 April 2012	3,154,036	–	3,154,036
Depreciation charged	(8,610)	–	(8,610)
Transfer from land held for development properties	–	28,556,736	28,556,736
As at 31 March 2013 and 1 April 2013	3,145,426	28,556,736	31,702,162
Depreciation charged	(8,610)	–	(8,610)
Refurbishment costs capitalized	–	18,845,303	18,845,303
As at 31 March 2014	3,136,816	47,402,039	50,538,855

	2014	2013
Income statement:	$	$
Rental income from investment properties:		
- Minimum lease payments	132,420	152,804
Direct operating expenses (including repairs and maintenance) arising from:		
- Rental generating properties	29,506	29,292

During the last financial year, the group transferred one property that was classified as land held for development properties to investment properties under refurbishment, due to a change in the Group's strategy to hold the property for rental and capital appreciation.

Valuation of investment properties

Investment properties are stated at cost less depreciation. The desktop valuations were performed by Cushman & Wakefield VHS, an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the properties valued. In relation to No. 432 Balestier Road, the valuation is based on comparable market transactions that consider the sales of similar properties that have been transacted in the open market. In relation to No. 554 Havelock Road, the valuation is based on cashflows.

The investment properties held by the Group as at 31 March 2014 are as follows:

Description and Location	Existing Use	Tenure	Unexpired lease term	Estimated fair value 2014	Estimated fair value 2013
				$'000	$'000
2 shop units, No. 432 Balestier Road	Shops	Freehold	Freehold	3,800	3,560
96 serviced apartment units, No. 554 Havelock Road	Serviced Apartment (under refurbishment)	Leasehold	21 years	56,000	57,000

13. Investments in subsidiaries

	Company	
	2014	2013
	$	$
Shares, at cost	8	8
Disposal of a subsidiary	(2)	–
Carrying amount of investments	6	8

Name	Principal activities	Country of incorporation	Proportion (%) of ownership interest	
			2014	2013
Held by the Company				
Luban Investments Pte. Ltd. [3]	Investment property	Singapore	100	100
Pollux Capital Partners Pte. Ltd. [1]	Investment holding	Singapore	100	100
Pollux International Pte. Ltd. [1]	Investment holding	Singapore	100	100
Kovan Properties Pte. Ltd. [3]	Investment holding	Singapore	100	100
Pollux Monet Pte. Ltd. [4]	Investment holding	Singapore	–	100
Pollux Renoir Pte. Ltd. [2]	Investment holding	Singapore	100	100
Held through subsidiaries				
Kovan Central Pte. Ltd. [3]	Property development	Singapore	100	100
Boulevard Residences Pte. Ltd. [3]	Property development	Singapore	100	100
Bvlgari Park Residences Pte. Ltd. [3]	Property development	Singapore	100	100
Channel Residences Pte. Ltd. [3]	Property development	Singapore	100	100
Giorgio Residences Pte. Ltd. [3]	Property development	Singapore	100	100
Peninsula Park Residences Pte. Ltd. [3]	Investment property under construction	Singapore	100	100

13. Investments in subsidiaries (cont'd)

Note:

(1) Not required to be audited as the companies are dormant.

(2) Pollux Renoir Pte. Ltd. was incorporated on 16 May 2012 and unaudited financial statements have been used for the preparation of the consolidated financial statements of the Group as they are not significant to the Group.

(3) Audited by Ernst & Young LLP, Singapore

(4) The subsidiaries have been disposed as at 31 March 2014.

14. Investment in associate

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$	$	$	$
Shares, at cost	–	1,274,492	–	1,274,492
Impairment loss	–	(22,218)	–	(22,218)
	–	1,252,274	–	1,252,274
Transferred to assets held for sale (Note 9)	–	(1,252,274)	–	(1,252,274)
	–	–	–	–

Name	Principal activities	Country of incorporation	Proportion (%) of ownership interest	
			2014	**2013**
Held by the Company				
Asia Excel Pte. Ltd. (1)	Distribution and retail of sanitary wares and kitchen products	Singapore	–	–

(1) Audited by RSM Chio Lim LLP, Singapore

During the last financial year, due to changes in the capital structure of Asia Excel and a review of the Group's strategic direction, the Group has decided to divest this investment and is classified as an asset held for sale (Note 9).

Subsequent to financial year end, the investment was divested.

15. Investment in joint venture

The Group has 50% (2013: 50%) equity interest in a jointly-controlled entity, Pollux Botero Pte. Ltd. The joint venture is incorporated in Singapore and holds 100% interest in an entity with a property held for development. The Group has recognised its interest in the joint venture using the equity method.

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$	$	$	$
Shares, at cost	1	1	1	1
Share of post-acquisition reserves	195,306	(68,465)	–	–
	195,307	(68,464)	1	1

The aggregate amounts of each of current assets, non-current assets, current liabilities, non-current liabilities, income and expenses related to the Group's interests in the jointly-controlled entity are as follows:

	Group	
	2014	**2013**
	$	$
Assets and liabilities:		
Current assets	53,554,704	34,458,016
Total assets	53,554,704	34,458,016
Current liabilities	1,474,448	9,038,736
Non-current liabilities	51,689,642	25,556,208
Total liabilities	53,164,090	34,594,944
Income and expenses:		
Income	527,542	–
Expenses	–	(131,662)

16. Land held for development

	Group 2014 $	Group 2013 $
Land, at cost	17,550,223	50,494,590
Interest capitalized	681,215	1,363,624
Regulatory costs	2,240,544	3,412,453
Less: deposits received	(2,515,433)	–
	17,956,549	55,270,667

The parcels of land held for property development are mortgaged to financial institutions as security for interest-bearing bank borrowings (Note 25).

Description and location	Tenure	% owned	Approx. site area (square metres)	Approx. gross floor area (square metres)	Expected year of completion
531 East Coast Road	Freehold	100 %	1,425	2,224	Expected by 2Q 2016

11 Lorong N Telok Kurau and 25 Lorong M Telok Kurau were transferred from land held for development to properties under development during the financial year as the property has commenced development (Note 17).

17. Properties under development

	Group 2014 $	Group 2013 $
Land, at cost	40,517,704	16,407,293
Interest capitalised	1,843,920	523,750
Development and related cost	12,409,160	8,902,004
Attributable profit	1,048,405	1,813,521
	55,819,189	27,646,568
Less: progress payment received	(11,822,433)	(11,227,430)
	43,996,756	16,419,138
Development properties recognised as an expense in cost of sales (Note 5)	21,432,117	7,902,143

17. Properties under development (cont'd)

The properties under development are mortgaged to banks and financial institution as security of interest bearing bank borrowings (Note 25).

List of properties under development

Description and location	Tenure	% owned	Approx. site area (square metres)	Approx. gross floor area (square metres)	Estimated stage of completion as at date of annual report (%) (Expected year of completion)
11 Lorong N Telok Kurau	Freehold	100	1,126	1,657	7% (expected by 4Q 2015)
25 Lorong M Telok Kurau	Freehold	100	1,805	2,913	9% (expected by 4Q 2015)
5 Lorong 27 Geylang	Freehold	100	470	1,358	23% (expected by 3Q 2015)

The property under development at 831 Upper Serangoon Road has been completed in December 2013.

During the financial year, the Group capitalised interest arising from loans and borrowings of subsidiaries amounting to $1,843,920 (2013: $523,750). The effective rate used for the capitalisation is within the range of 1.83% to 2.12% (2013: 1.81% to 2.08%).

18. Trade receivables

	Group 2014 $	Group 2013 $
Trade receivables	14,577	6,214
Final amount receivables on units sold	3,576,795	–
	3,591,372	6,214

Trade receivables are generally on 7 days' term. They are non-interest bearing and are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group has obtained the Temporary Occupation Permit ("TOP") for one of its development properties in February 2014. As the development properties are considered to be completed upon obtaining TOP, the Group has recognised 100% of the revenue in relation to the units sold. Accordingly, final amount receivables on units sold amounting to $3,576,795 (2013: Nil) were recognised at the end of the reporting period. The final amount receivables on units sold will be billed in accordance with the sales agreements.

Trade receivables of the Group are denominated in Singapore Dollars.

19. Other receivables and deposits

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Current assets				
Deposit receivable	1,728,305	577,677	1,717,655	36,746
Convertible loan notes	1,280,000	–	1,280,000	–
Other receivables	189,211	605,364	6,978	589,416
	3,197,516	1,183,041	3,004,633	626,162
Non-current assets				
Deposit receivable	–	2,633,366	–	2,633,366
	–	2,633,366	–	2,633,366

The convertible loan notes are unsecured and non-interest bearing. The convertible loan notes shall be redeemed on or before 1 July 2014 or they shall be converted by the Company on 1 July 2014. (Note 9)

Deposit receivable includes lease rental deposit paid by the Company on behalf of a subsidiary that was disposed in the prior years. This amount is expected to be received from the former subsidiary at the end of the property lease period or December 2014.

Other receivables and deposits of the Group and Company are denominated in Singapore Dollars.

20. Due from subsidiaries

	Company	
	2014	2013
	$	$
Due from subsidiaries:		
- Non-trade	50,080,446	43,900,380

Amounts due from subsidiaries are unsecured, interest-free, repayable in cash on demand and denominated in Singapore Dollars.

21. Due from joint venture

Amounts due from joint venture are unsecured, interest-free, repayable in cash on demand and denominated in Singapore Dollars.

22. Cash and cash equivalents

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Cash at banks and in hand	9,711,110	7,001,203	1,604,492	10,018

Cash and cash equivalents of the Group and Company are denominated in Singapore Dollars.

23. Trade payables

Trade payables are non-interest bearing and are normally settled on 60-day terms.

Trade payables of the Group and Company are denominated in Singapore Dollars.

24. Other payables and accruals

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Other payables	325,002	48,166	203,404	3,610
Provision for performance bonus	484,418	466,060	484,418	466,060
Provision for directors' gratuity	–	322,200	–	322,200
Accrued directors' fees	134,237	150,600	129,200	129,600
Accrued operating expenses	941,398	419,777	112,013	48,445
Deposits received from customer	39,536	43,100	–	–
	1,924,591	1,449,903	929,035	969,915

Other payables are unsecured, interest-free and repayable on demand.

Other payables and accruals of the Group and Company are denominated in Singapore Dollars.

The provision for performance bonus payable is in relation to an executive director pursuant to an employment contract.

25. Loans and borrowings

		Maturity (Financial Year)	Group 2014 $	Group 2013 $	Company 2014 $	Company 2013 $
	Current:					
(a)	SGD loan at 2.00% p.a. over SOR	2015	1,000,000	–	–	–
(b)	SGD loan at 1.75% p.a. over SOR	2013	–	12,549,000	–	–
(c)	SGD loan at 1.97% p.a. below CPR	2015	87,984	87,984	–	–
(d)	SGD loan at 2.25% p.a. over SOR	2015	19,332,632	–	–	–
			20,420,616	12,636,984	–	–
	Non- current:					
(b)	SGD loans at 1.75% p.a. over SOR	2016	27,127,988	37,127,988	–	–
(c)	SGD loan at 1.97% p.a. below CPR	2014-2037	1,921,384	2,009,368	–	–
(e)	SGD loan at 1.85% p.a. over SOR	2017	11,795,754	11,795,753	–	–
(f)	SGD loan at 1.50% p.a. over SIBOR	2016	6,634,680	6,634,680	–	–
			47,479,806	57,567,789	–	–

(a) SGD loan at 2.00% p.a. over SOR

This loan bears an interest of 2.00% p.a. over the bank's cost of funds or 2.00% p.a. over the applicable SWAP Offer Rate ("SOR").

(b) SGD loans at 1.75% p.a. over SOR

These loans bear interest at 1.75% p.a. over the bank's cost of funds or 1.75% p.a. over the applicable SWAP Offer Rate ("SOR").

(c) SGD loan at 1.97% p.a. below CPR

This loan bears an interest of 1.97% p.a. below the bank's commercial property rate ("CPR").

(d) SGD loan at 2.25% p.a. over SOR

This loan bears an interest of 2.25% p.a. over the bank's cost of funds or 2.25% p.a. over the applicable SWAP Offer Rate ("SOR").

(e) SGD loan at 1.85% p.a. over SOR

This loan bears an interest of 1.85% p.a. over the bank's cost of funds or 1.85% p.a. over the applicable SWAP Offer Rate ("SOR").

25. Loans and borrowings (cont'd)

(f) SGD loan at 1.50% p.a. over SIBOR

This loan bears an interest of 1.50% p.a. over the bank's cost of funds or 1.50% p.a. over the applicable SIBOR Rate.

The above loans are secured by the following:

(a) First legal mortgage over the related investment properties, the related land held for development properties or the related properties under development.

(b) Corporate guarantee by the Company.

(c) Legal assignment over all rights, title, and interests in the related construction contract, insurance policies, performance bond (if any), tenancy agreements, current and future rental income relating to the specified property pledged and sale and purchase agreements in respect of land held for development properties, properties under development and investment properties.

26. Loan from joint venture

The loan from joint venture is unsecured, interest-free, repayable on demand and is denominated in Singapore Dollars.

27. Due to subsidiaries

The amounts due to subsidiaries are unsecured, interest-free, repayable on demand and are denominated in Singapore Dollars.

28. Due to a director

The amounts due to a director are unsecured, interest-free, repayable in cash on demand and are denominated in Singapore Dollars.

29. Share capital

	Group and Company			
	2014		**2013**	
	No. of shares	$	**No. of shares**	**$**
Beginning and end of the financial year	622,615,384	54,508,876	622,615,384	54,508,876

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.

30. Commitments

(a) Operating lease commitments – as lessee

The Group has entered into various operating lease agreements for offices. These leases have an average tenure of between 1 and 2 years. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

Minimum lease payments recognised as an expense in the income statement for the financial year ended 31 March 2014 amounted to $745,256 (2013: $651,154).

Future minimum rental payables under non-cancellable operating leases as at 31 March are as follows:

	Group	
	2014	**2013**
	$	$
Not later than 1 year	568,733	709,450
Later than 1 year but not later than 5 years	73,291	495,441
	642,024	1,204,891

(b) Operating lease commitments – as lessor

The Group has entered into various operating lease agreements for its leasehold shop units. These non-cancellable leases have remaining lease terms of between 1 to 2 years.

Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows:

	Group	
	2014	**2013**
	$	$
Not later than 1 year	272,322	378,726
Later than 1 year but not later than 5 years	70,000	166,272
	342,322	544,998

(c) Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2014	**2013**
	$	$
Capital commitment in respect of properties under development	24,287,623	20,344,751
Share of joint venture's capital commitments in relation to property under development	7,922,969	–
	32,210,592	20,344,751

31. Contingencies

Contingent liability

Litigation

Pursuant to the agreement, the Company has agreed to indemnify Lorenzo International Limited ("Lorenzo") should there be any warranty claims on the construction projects undertaken prior to the disposal of Builder Shop Pte Ltd.

During the financial year, there was a warranty claim for one of the construction project. The Company has indemnified Lorenzo $374,868 for legal fees incurred to address the warranty claim.

The warranty claim is under negotiation. The Company believe that there are no reasonable grounds to substantiate the claim and will continue to defend the case.

Guarantees

As at 31 March 2014, guarantees issued to banks by the Company in respect of banking facilities extended to subsidiaries and joint venture amounted to $116,631,600 (2013: $116,631,600) and $31,741,500 (2013: $31,741,500) respectively, of which the amounts utilised by the subsidiaries and joint venture was $68,091,054 (2013: $88,717,421) and $25,778,103 (2013: $12,778,103) respectively.

The Company has provided counter guarantees amounting to $9,000,000 (2013: $9,000,000) to a guarantor company who had provided qualifying certificate bonds to the Controller of Housing.

32. Employee benefits

Employee benefits expense (including executive directors):

	Group	
	2014	**2013**
	$	$
Salaries and bonuses	543,469	551,367
CPF contributions	47,222	54,218
Other short-term benefits	130,715	231,443
	721,406	837,028

The above includes directors' and key management remuneration shown in Note 33.

33. 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:

	Group	
	2014	**2013**
	$	$
Rental income from a company related to a director	72,330	76,920
Management fees from a joint venture	19,200	–
Utilities back charged to a company related to a director	2,150	4,790
Legal fees paid to a company related to a director	26,066	76,695

(b) Compensation of key management personnel

	Group	
	2014	**2013**
	$	$
Short-term employee benefits	397,390	372,650
CPF contributions	25,601	28,725
Other short-term benefits	159,600	230,574
Total compensation paid to key management personnel	582,591	631,949
Comprised amounts paid to:		
Directors of the Company	309,600	380,574
Other key management personnel	272,991	251,375
	582,591	631,949

34. Segment information

For management purposes, the Group is organised into business units based on their products and services. As at 31 March 2014, there are two segments under continuing operations:

(a) The Property Development segment is involved in acquisition and development of properties for sale.

(b) The Property Investment segment is involved in renting of properties.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs and income) and income taxes are managed on a group basis and are not allocated to operating segments.

34. Segment information (cont'd)

Continuing operations

	Property Investment 2014 $	Property Investment 2013 $	Property Development 2014 $	Property Development 2013 $	Others 2014 $	Others 2013 $	Adjustments and eliminations 2014 $	Adjustments and eliminations 2013 $	Total 2014 $	Total 2013 $
Revenue:										
External customers	329,672	939,017	23,787,440	9,556,606	–	–	–	–	24,117,112	10,495,623
Inter-segment	–	–	–	–	–	–	–	–	–	–
Total revenue	329,672	939,017	23,787,440	9,556,606	–	–	–	–	24,117,112	10,495,623
Results:										
Depreciation of property, plant and equipment	8,610	8,610	–	–	37,097	32,512	–	–	45,707	41,122
Interest expense	24,705	19,367	108,208	74,649	1,363	1,647	–	–	134,276	95,663
Share of results of joint venture	–	–	–	–	263,771	65,831	–	–	263,771	65,831
Income tax expense	–	9,205	543,711	46,160	–	–	–	–	543,711	55,365
Segment profit/(loss)	(354,967)	(266,313)	1,491,834	1,664,466	(978,579)	(1,371,434)	–	–	158,288	26,719
Assets										
Segment assets	50,679,942	31,751,674	73,852,723	79,245,344	6,215,745	7,772,143	–	–	130,748,410	118,769,161
Liabilities										
Segment liabilities	23,451,916	31,316,705	51,649,782	34,518,653	8,934,331	8,948,544	–	–	84,036,029	74,783,902

34. Segment information (cont'd)

Discontinued operations

	Home furnishing (Discontinued Operation)		Others (Discontinued Operation)		Adjustments and eliminations		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	$	$	$	$	$	$	$ (Note 9)	$ (Note 9)
Revenue:								
External customers	–	542,574	–	–	–	–	–	542,574
Inter-segment	–	–	–	–	–	–	–	–
Total revenue	–	542,574	–	–	–	–	–	542,574
Results:								
Segment profit	–	–	69,483	68,356	–	–	69,483	68,356
Assets								
Segment assets	–	–	–	2,499,351	–	–	–	2,499,351
Liabilities								
Segment liabilities	–	–	–	–	–	–	–	–

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2014	2013	2014	2013
	$	$	$	$
Singapore	24,117,112	10,495,623	51,223,364	34,379,555

Non-current assets information presented above consist of investment properties, plant and equipment, investment in associate, investment in a joint venture, other receivables and deferred tax assets as presented in the consolidated balance sheet.

35. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, liquidity risk and foreign currency risk. The Board of Directors reviews and agrees on policies and procedures for the management of these risks, which are executed by the Chief Executive Officer.

35. Financial risk management objectives and policies (cont'd)

It is, and has been throughout the current and previous financial year, the Company's policy that no derivative shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks:

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and cash equivalents) the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risks

At the balance sheet date, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amounts of each class of financial assets recognised in the balance sheet, and
- a nominal amount of $148,373,100 (2013: $148,373,100) relating to corporate guarantees provided by the Company for its subsidiaries and joint venture.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade and other receivables on an on-going basis. The credit risk concentration profile of the Group's trade and other receivables at the balance sheet date is as follows:

	Group			
	2014		2013	
	$	% of total	$	% of total
Trade receivables				
By Country:				
Singapore	3,591,372	100	6,214	100
	3,591,372	100	6,214	100
By Industry:				
Property Investment	14,577	–*	6,214	100
Property Development	3,576,795	100	–	–
	3,591,372	100	6,214	100

* Below one percent of total balance

35. Financial risk management objectives and policies (cont'd)

	Group			
	2014		2013	
	$	% of total	$	% of total
Other receivables				
By Country:				
Singapore	3,197,516	100	3,816,407	100
	3,197,516	100	3,816,407	100
By Industry:				
Property Development	155,391	5	539,575	15
Property Investment	37,492	1	17,304	–*
Others	3,004,633	94	3,259,528	85
	3,197,516	100	3,816,407	100

* Below one percent of total balance

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with reputable financial institutions with high credit ratings.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from interest bearing loans from financial institutions.

The Group obtains financing through loans from financial institutions. The Group's policy is to obtain the most favourable market interest rates available.

Sensitivity analysis for interest rate risk

At the balance sheet date, if interest rates had been 50 (2013: 50) basis points lower/higher with all other variables held constant, the Group's interest capitalized in land held for development properties/properties under development/investment properties during the financial year would have been $456,170 (2013: $279,559) lower/higher arising mainly as a result of lower/higher interest expense on floating rate loan from financial institutions.

35. Financial risk management objectives and policies (cont'd)

(c) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company monitor and maintain a level of cash and bank balances deemed adequate by the management to finance the Group's and Company's operations and mitigate the effected of fluctuations in cash flows.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the balance sheet date based on contractual undiscounted repayment obligations:

	2014				2013			
	1 year or less $	1 to 5 years $	Over 5 years $	Total $	1 year or less $	1 to 5 years $	Over 5 years $	Total $
Group								
Financial assets:								
Cash and cash equivalents	9,711,110	–	–	9,711,110	7,001,203	–	–	7,001,203
Due from joint venture	557,487	–	–	557,487	4,458,630	–	–	4,458,630
Trade, other receivables and deposits	6,788,888	–	–	6,788,888	1,189,255	2,633,366	–	3,822,621
Total undiscounted financial assets	17,057,485	–	–	17,057,485	12,649,088	2,633,366	–	15,282,454

35. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk (cont'd)

	2014				2013			
	1 year or less $	**1 to 5 years** $	**Over 5 years** $	**Total** $	**1 year or less** $	**1 to 5 years** $	**Over 5 years** $	**Total** $
Group								
Financial liabilities:								
Trade payables	5,835,860	–	–	5,835,860	1,094,780	–	–	1,094,780
Other payables and accruals	1,924,591	–	–	1,924,591	1,449,903	–	–	1,449,903
Due to a director	–	–	–	–	1,950,000	–	–	1,950,000
Loans and borrowings	20,970,603	48,050,934	1,802,485	70,824,022	12,935,896	58,661,826	1,968,115	73,565,837
Loan from joint venture	8,000,000	–	–	8,000,000	–	–	–	–
Total undiscounted financial liabilities	36,731,054	48,050,934	1,802,485	86,584,473	17,430,579	58,661,826	1,968,115	78,060,520
Total net undiscounted financial liabilities	(19,673,569)	(48,050,934)	(1,802,485)	(69,526,988)	(4,781,491)	(56,028,460)	(1,968,115)	(62,778,066)

35. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk (cont'd)

	2014			2013		
	1 year or less $	**1 to 5 years** $	**Total** $	**1 year or less** $	**1 to 5 years** $	**Total** $
Company						
Financial assets:						
Other receivables and deposits	3,004,633	–	3,004,633	626,162	2,633,366	3,259,528
Due from subsidiaries	50,080,446	–	50,080,446	43,900,380	–	43,900,380
Due from joint venture	557,487	–	557,487	4,458,630	–	4,458,630
Cash and cash equivalents	1,604,492	–	1,604,492	10,018	–	10,018
Total undiscounted financial assets	55,247,058	–	55,247,058	48,995,190	2,633,366	51,628,556
Financial liabilities:						
Other payables and accruals	929,035	–	929,035	969,915	–	969,915
Due to subsidiaries	1,020,000	–	1,020,000	4,720,000	–	4,720,000
Loan from joint venture	8,000,000	–	8,000,000	–	–	–
Due to a director	–	–	–	1,950,000	–	1,950,000
Total undiscounted financial liabilities	9,949,035	–	9,949,035	7,639,915	–	7,639,915
Total net undiscounted financial assets	45,298,023	–	45,298,023	41,355,275	2,633,366	43,988,641

35. Financial risk management objectives and policies (cont'd)

(c) *Liquidity risk (cont'd)*

The table below shows the contractual expiry by maturity of the Group and Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	2014 $'000				2013 $'000			
	One year or less	**One to five years**	**Over five years**	**Total**	**One year or less**	**One to five years**	**Over five years**	**Total**
Financial guarantees:								
- Banking facilities	16,075	132,298	–	148,373	–	148,373	–	148,373

(d) *Foreign currency risk*

As at 31 March 2014, the Group does not have any significant transactional currency exposures arising from purchases that are denominated in a currency other than the functional currency of the Group.

36. Fair value of assets and liabilities

(a) *Fair value hierarchy*

The Group classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

There are no assets measured at fair value at end of the reporting period.

36. Fair value of assets and liabilities (cont'd)

(b) Assets not carried at fair value but for which fair value is disclosed

The following table shows an analysis of the asset not measured at fair value at end of the reporting period but for which fair value is disclosed

	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	$	$	$	$
Non-recurring fair value measurements				
Non-financial asset:				
Investment properties (Note 12)	–	–	59,800,000	59,800,000

Investment properties (Note 12): The valuer has used the market comparable and discounted cash flows approaches in deriving the fair value of the properties. The key inputs used in the valuation were the market transacted prices of properties within the vicinity of the properties, capitalisation rate, occupancy rate and discount rate. Adjustments are made for any difference in the nature, location or condition of the property.

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Current trade receivables, other receivables and deposits, due from joint venture, due from subsidiaries, cash and cash equivalents, trade payables, other payables and accruals, loan from joint venture and due to subsidiaries.

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either repayable on demand, due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the balance sheet.

37. Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2014 and 31 March 2013.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables, due to related parties, bills payable, bank overdrafts and loans, less cash and cash equivalents. Capital comprises equity attributable to the equity holders of the parent.

	Group	
	2014	**2013**
	$	$
Trade payables	5,835,860	1,094,780
Other payables and accruals	1,924,591	1,449,903
Due to related parties	8,000,000	–
Due to a director	–	1,950,000
Loans and borrowings	67,900,422	70,204,773
Total debt	83,660,873	74,699,456
Less: Cash and cash equivalents	(9,711,110)	(7,001,203)
Net debt	73,949,763	67,698,253
Equity attributable to the equity holders of the Parent	46,712,381	46,484,610
Gearing ratio	61%	59%

38. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2014 were authorised for issue in accordance with a resolution of the directors on 27 June 2014.

SHAREHOLDINGS STATISTICS

As at 13 June 2014

Number of Issued Shares	-	622,615,384
Issued and Fully Paid-Up Capital	-	S$55,241,525.56
Number of Treasury Shares Held	-	Nil
Number of Shareholders	-	1,371
Class of Shares	-	Ordinary shares each with equal voting rights

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 13 June 2014, 24.12% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited is complied with.

ANALYSIS OF SHAREHOLDINGS (As recorded in the Register of Members and Depository Register)

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	7	0.51	2,133	0.00
1,000 - 10,000	868	63.31	3,154,843	0.51
10,001 - 1,000,000	455	33.19	48,224,140	7.74
1,000,001 and above	41	2.99	571,234,268	91.75
	1,371	100.00	622,615,384	100.00

TOP 20 SHAREHOLDERS (As recorded in the Register of Members and Depository Register)

No.	Name of Shareholder	No. of Shares	%
1	Fair Billion Holdings Limited	232,989,520	37.42
2	Shining Holdings Pte Ltd	63,371,000	10.18
3	Sunny Scene Investment Limited	39,393,939	6.33
4	Dragon Diligent International Limited	36,363,636	5.84
5	Ocean Blue Asia Limited	33,111,133	5.32
6	Silver Finance Investment Limited	30,156,156	4.84
7	Phillip Securities Pte Ltd	13,424,354	2.16
8	OCBC Securities Private Ltd	13,418,990	2.16
9	Tan Kay Sing	10,000,000	1.61
10	Tay Swee Leng	9,999,960	1.61
11	Pang Heng Kwee	7,925,000	1.27
12	UOB Kay Hian Pte Ltd	7,467,000	1.20
13	Tan Siok Hwee	5,999,990	0.96
14	Hong Leong Finance Nominees Pte Ltd	5,500,000	0.88
15	Yeong Yoon Ying	4,500,000	0.72
16	Chang Soon Kheong	4,463,000	0.72
17	Rice Fields Pte Ltd	4,313,000	0.69
18	Goh Wan Peng	4,000,000	0.64
19	Maybank Kim Seng Securities Pte Ltd	3,451,000	0.55
20	Tan Li Yu	3,250,000	0.52
		533,097,678	85.62

SHAREHOLDINGS STATISTICS

As at 13 June 2014

SUBSTANTIAL SHAREHOLDERS (As recorded in the Register of Substantial Shareholders)

	Direct Interests		Deemed Interest		Total Interest	
Substantial Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Nico Purnomo Po[1]	1,268,000	0.20	372,014,384	59.75	373,282,384	59.95
Fair Billion Holdings Limited	232,989,520	37.42	-	-	232,989,520	37.42
Tan Kay Kiang[2]	1,549,920	0.25	74,111,960	11.90	75,661,880	12.15
Tan Kay Sing[3]	10,000,000	1.61	64,112,000	10.30	74,112,000	11.91
Tan Kay Tho[4]	2,600,000	0.42	64,112,000	10.30	66,712,000	10.72
Tan Chin Hoon[5]	630,000	0.10	64,112,000	10.30	64,742,000	10.40
Shining Holdings Pte Ltd[6]	63,371,000	10.18	741,000	0.12	64,112,000	10.30
Sunny Scene Investment Limited	39,393,939	6.33	-	-	39,393,939	6.33
Dragon Diligent International Limited	36,363,636	5.84	-	-	36,363,636	5.84
Ocean Blue Asia Limited	33,111,133	5.32	-	-	33,111,133	5.32

Notes:

(1) Nico Purnomo Po is deemed to be interested in the 232,989,520 shares held by Fair Billion Holdings Limited, 30,156,156 shares held by Silver Finance Investment Limited, 33,111,133 shares held by Ocean Blue Asia Limited, 36,363,636 shares held by Dragon Diligent International Limited and 39,393,939 shares held by Sunny Scene Investment Limited, by virtue of section 7(4) of the Companies Act, Cap.50 (the “Act”).

(2) Tan Kay Kiang is deemed to be interested in the 63,371,000 shares held by Shining Holdings Pte Ltd, 741,000 shares held by Shining Development Pte Ltd, by virtue of sections 7(4A) and 7(4) of the Act, respectively and 9,999,960 shares held by his spouse, Tay Swee Leng, by virtue of section 164(15)(a) of the Act.

(3) Tan Kay Sing is deemed to be interested in the 63,371,000 shares held by Shining Holdings Pte Ltd and 741,000 shares held by Shining Development Pte Ltd, by virtue of sections 7(4A) and 7(4) of the Act, respectively.

(4) Tan Kay Tho is deemed to be interested in the 63,371,000 shares held by Shining Holdings Pte Ltd and 741,000 shares held by Shining Development Pte Ltd, by virtue of sections 7(4A) and 7(4) of the Act, respectively.

(5) Tan Chin Hoon is deemed to be interested in the 63,371,000 shares held by Shining Holdings Pte Ltd and 741,000 shares held by Shining Development Pte Ltd, by virtue of sections 7(4A) and 7(4) of the Act, respectively.

(6) Shining Holdings Pte Ltd is deemed to be interested in the 741,000 shares held by its wholly-owned subsidiary, Shining Development Pte Ltd, by virtue of section 7(4A) of the Act.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting of Pollux Properties Ltd. (the "Company") will be held at Senator Room Level 1, The St. Regis Singapore, 29 Tanglin Road Singapore 247911 on Friday, 25 July 2014 at 2.00 p.m., for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 March 2014 and the Directors' Report and the Independent Auditor's Report thereon. Resolution 1

2. To approve Directors' fees of S$125,835.00 for financial year ended 31 March 2014. (2013: S$130,000.00) Resolution 2

3. To re-elect Mr Timur Pradopo, a Director retiring pursuant to Article 108 of the Company's Articles of Association. *(See Explanatory Note)* Resolution 3

4. To re-elect Mr Bambang Widaryatmo, a Director retiring pursuant to Article 108 of the Company's Articles of Association. Resolution 4

5. To re-elect Mr James Kho Chung Wah, a Director retiring pursuant to Article 108 of the Company's Articles of Association. *(See Explanatory Note)* Resolution 5

6. To re-elect Mr Low Chai Chong, a Director retiring by rotation pursuant to Article 104 of the Company's Articles of Association. *(See Explanatory Note)* Resolution 6

7. To re-appoint Messrs Ernst & Young LLP as Auditors and to authorise the Directors to fix their remuneration. Resolution 7

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolution as Ordinary Resolution:

8. THAT pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of Section B of the Listing Manual of Singapore Exchange Securities Trading Limited (the "SGX-ST"), authority be and is hereby given to the Directors to: Resolution 8

   (a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (b) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, notwithstanding that the authority granted by this Resolution may have ceased to be in force at the time of such issuance of shares.

PROVIDED THAT

(1) the aggregate number of shares to be issued shall not exceed 100% of the total number of issued shares excluding treasury shares, of which the aggregate number of shares and convertible securities issued other than on a *pro rata* basis to shareholders of the Company shall not exceed 50% of the total number of issued shares in the capital of the Company excluding treasury shares (as calculated in accordance with paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares in the capital of the Company excluding treasury shares at the time this Resolution is passed, after adjusting for:

   (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

   (ii) any subsequent bonus issue or consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Rules of Catalist of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. *(See Explanatory Note)*

9. To transact any other business.

BY ORDER OF THE BOARD

Nico Purnomo Po
Chief Executive Officer

Singapore
9 July 2014

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

Resolution 3

Mr Timur Pradopo will, upon re-election as a Director of the Company, remain as Non-Executive Chairman of the Board.

Resolution 5

Mr James Kho Chung Wah will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee and a member of the Remuneration and Nominating Committee, and he will be considered independent for the purpose of Rule 704(7) of Section B of the Listing Manual of the SGX-ST.

Resolution 6

Mr Low Chai Chong will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration and Nominating Committee and a member of the Audit Committee, and he will be considered independent for the purpose of Rule 704(7) of Section B of the Listing Manual of the SGX-ST.

Resolution 8

Resolution no. 8, if passed, will empower the Directors of the Company to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding in aggregate 100% of the total number of issued shares (excluding treasury shares), of which up to 50% may be issued other than on a *pro rata* basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time that Resolution no. 8 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution no. 8 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

Notes:

(1) A member of the company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies and vote in his stead. Such proxy need not be a member of the Company. Where there is more than one proxy, the proportion (expressed as a percentage of the whole) of his shareholding to be represented by each proxy must be stated.

(2) The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing.

(3) If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

(4) The instrument appointing proxy or proxies must be deposited at the registered office of the Company at 391A Orchard Road #08-07 Ngee Ann City Tower A Singapore 238873 not later than 48 hours before the time set for the Annual General Meeting or any adjournment thereof.

(5) This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Canaccord Genuity Singapore Pte. Ltd., 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 notice. This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made, or reports contained in this notice.

The contact person for the Sponsor is Ms. Karen Soh, Managing Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.

POLLUX PROPERTIES LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199904729G)

PROXY FORM
– ANNUAL GENERAL MEETING

IMPORTANT: FOR CPF INVESTORS ONLY

1. For investors who have used their CPF moneys to buy ordinary shares in the capital of Pollux Properties Ltd., this 2014 Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

I/We ______________________________ NRIC/Passport No. ______________________

of ____

being a member/members of POLLUX PROPERTIES LTD. (the "Company") hereby appoint

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

and/or failing him/her (delete as appropriate)

or failing him/her, the Chairman of the Fourteenth Annual General Meeting ("AGM") of the Company as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the AGM of the Company to be held at Senator Room Level 1, The St. Regis Singapore, 29 Tanglin Road Singapore 247911 on Friday, 25 July 2014 at 2.00 p.m., and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of the AGM. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the AGM).

	Ordinary Resolutions	For	Against
	Ordinary Business		
1.	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 March 2014 and the Directors' Report and the Independent Auditor's Report thereon		
2.	To approve Directors' fees of S$125,835.00 for financial year ended 31 March 2014		
3.	To re-elect Mr Timur Pradopo, a Director retiring pursuant to Article 108 of the Company's Articles of Association.		
4.	To re-elect Mr Bambang Widaryatmo, a Director retiring pursuant to Article 108 of the Company's Articles of Association.		
5.	To re-elect Mr James Kho Chung Wah, a Director retiring pursuant to Article 108 of the Company's Articles of Association.		
6.	To re-elect Mr Low Chai Chong, a Director retiring by rotation pursuant to Article 104 of the Company's Articles of Association.		
7.	To re-appoint Messrs Ernst & Young LLP as Auditors and to authorise the Directors to fix their remuneration		
	Special Business		
8.	To authorise the Directors to allot/issue new shares		

Dated this __________ day of ________________ 2014

Total No. of Shares in:	No. of Shares
CDP Register	
Register of Members	

____
Signature(s) of Shareholder(s)/Common Seal
of Corporate Shareholder

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at the above-mentioned meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his stead. Where a member appoints more than one proxy, he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 391A Orchard Road #08-07 Ngee Ann City Tower A Singapore 238873, not less than 48 hours before the time set for the meeting.

4. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.

5. The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.

6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

POLLUX PROPERTIES

POLLUX PROPERTIES LTD.

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