



Pollux Properties Ltd. and its subsidiaries

Company Registration No. 199904729G

Pollux Properties Ltd. and its subsidiaries

Unaudited condensed interim consolidated financial statements

30 June 2023

*This announcement has been prepared by Pollux Properties Ltd. (the “**Company**”) and reviewed by the Company’s sponsor, Novus Corporate Finance Pte. Ltd. (the “**Sponsor**”), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”).*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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Pollux Properties Ltd. and its subsidiaries

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Pollux Properties Ltd. and its subsidiaries

**Condensed interim consolidated statement of comprehensive income
For the six months ended 30 June 2023**

| | Note | 6 months ended 30.6.2023 (Unaudited) \$ | 6 months ended 30.6.2022 (Unaudited) \$ | Change % |
|---|------|---|---|-------------|
| Revenue | 4 | 6,670,890 | 6,380,134 | 4.6 |
| Cost of sales | | (30,985) | (963,535) | (96.8) |
| Gross profit | | 6,639,905 | 5,416,599 | 22.6 |
| Other items of income | | | | |
| Interest income | | 3,538 | 55,894 | (93.7) |
| Other income | | 1,124,991 | 35,777 | >100 |
| Other items of expense | | | | |
| Marketing and distribution | | (35,700) | (64,668) | (44.8) |
| General and administrative | | (1,989,420) | (1,796,282) | 10.8 |
| Finance costs | | (3,506,068) | (1,179,730) | >100 |
| Share of results of a joint venture, net of tax | | (21,825) | (8,649) | >100 |
| Profit before tax | | 2,215,421 | 2,458,941 | (9.9) |
| Income tax expense | 6 | (212,233) | (485,635) | (56.2) |
| Profit for the financial period | | 2,003,188 | 1,973,306 | (1.5) |
| Attributable to: Owners of the Company | | | | |
| Profit for the financial period attributable to owners of the Company | | 2,003,188 | 1,973,306 | 1.5 |

Pollux Properties Ltd. and its subsidiaries

**Condensed interim consolidated statement of comprehensive income
For the six months ended 30 June 2023**

| | 6 months ended 30.6.2023 (Unaudited) \$ | 6 months ended 30.6.2022 (Unaudited) \$ |
|---|--|--|
| Profit for the financial period | 2,003,188 | 1,973,306 |
| Other comprehensive income for the financial period, net of tax, representing total comprehensive income for the financial period | 85,696 | – |
| Total comprehensive income for the financial period | 2,088,884 | 1,973,306 |
| Attributable to: | | |
| Owners of the Company | | |
| Total comprehensive income for the financial period attributable to owners of the Company | 2,088,884 | 1,973,306 |

Pollux Properties Ltd. and its subsidiaries

Notes to the condensed interim financial information
For the six months ended 30 June 2023

Condensed interim consolidated statement of financial position

| | Note | Group | | Company | |
|---|------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | | 30.6.2023 (Unaudited) \$ | 31.12.2022 (Audited) \$ | 30.6.2023 (Unaudited) \$ | 31.12.2022 (Audited) \$ |
| Non-current assets | | | | | |
| Plant, property and equipment | | 17,922,499 | 17,053,967 | 5,353 | 7,321 |
| Investment properties | 13 | 344,050,000 | 344,050,000 | – | – |
| Investment in subsidiaries | | – | – | 142,058,299 | 142,058,299 |
| Investment in a joint venture | | 2,603,329 | 2,625,154 | 1 | 1 |
| Investment securities | | 292,881 | 502,881 | 292,881 | 502,881 |
| | | 364,868,709 | 364,232,002 | 142,356,534 | 142,568,502 |
| Current assets | | | | | |
| Trade receivables | | 99,586 | 792,211 | – | – |
| Other receivables and deposits | | 2,310,276 | 2,135,659 | 792 | 791 |
| Prepaid operating expenses | | 719,440 | 827,873 | – | 17,000 |
| Due from subsidiaries | | – | – | 47,169,421 | 46,212,148 |
| Due from related companies | | 15 | 15 | – | – |
| Investment securities | | 333,816 | 333,816 | – | – |
| Cash and cash equivalents | 8 | 4,239,949 | 9,590,339 | 11,496 | 18,357 |
| | | 7,703,082 | 13,679,913 | 47,181,709 | 46,248,296 |
| Total assets | | 372,571,791 | 377,911,915 | 189,538,243 | 188,816,798 |
| Equity and liabilities | | | | | |
| Current liabilities | | | | | |
| Trade payables | | 2,084,763 | 2,772,923 | – | – |
| Rental received in advance | | 1,338,099 | 2,624,397 | – | – |
| Other payables and accruals | | 5,513,891 | 7,231,521 | 327,936 | 359,341 |
| Provision for taxation | | 611,628 | 809,915 | – | – |
| Loans and borrowings | 14 | 17,130,997 | 22,456,622 | – | – |
| Due to subsidiaries | | – | – | 79,455,681 | 78,118,714 |
| Due to related parties | | 51 | 51 | – | – |
| | | 26,679,429 | 35,895,429 | 79,783,617 | 78,478,055 |
| Net current liabilities | | (18,976,347) | (22,215,516) | (32,601,908) | (32,229,759) |
| Non-current liabilities | | | | | |
| Deferred tax liabilities | | 8,336 | 8,336 | – | – |
| Loan from joint venture | | 2,288,147 | 2,288,147 | 2,288,147 | 2,288,147 |
| Loans and borrowings | 14 | 135,542,255 | 133,755,263 | – | – |
| | | 137,838,738 | 136,051,746 | 2,288,147 | 2,288,147 |
| Total liabilities | | 164,518,167 | 171,947,175 | 82,071,764 | 80,766,202 |
| Net assets | | 208,053,624 | 205,964,740 | 107,466,479 | 108,050,596 |
| Equity attributable to owners of the Company | | | | | |
| Share capital | 12 | 140,099,994 | 140,099,994 | 140,099,994 | 140,099,994 |
| Revenue reserve | | 67,994,915 | 65,991,727 | (32,633,515) | (32,049,398) |
| Foreign currency translation reserve | | (41,285) | (126,981) | – | – |
| Total equity | | 208,053,624 | 205,964,740 | 107,466,479 | 108,050,596 |
| Total equity and liabilities | | 372,571,791 | 377,911,915 | 189,538,243 | 188,816,798 |

Pollux Properties Ltd. and its subsidiaries

**Notes to the condensed interim financial information
For the six months ended 30 June 2023**

| | Attributable to owners of the Company | | | |
|--------------------------|--|----------------------------|---|-------------------------|
| | Share capital | Revenue reserve | Foreign currency translation reserve | Total equity |
| | \$ | \$ | \$ | \$ |
| Group | | | | |
| As at 1 January 2023 | 140,099,994 | 65,991,727 | (126,981) | 205,964,740 |
| Profit net of tax | – | 2,003,188 | – | 2,003,188 |
| Other comprehensive loss | – | – | 85,696 | 85,696 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 30 June 2023 | 140,099,994 | 67,994,915 | (41,285) | 208,053,624 |

| | Attributable to owners of the Company | | | |
|---|--|----------------------------|--|-------------------------|
| | Share capital | Revenue reserve | | Total equity |
| | \$ | \$ | | \$ |
| Group | | | | |
| As at 1 January 2022 | 140,099,994 | 59,503,617 | | 199,603,611 |
| Profit net of tax, representing total comprehensive income for the financial period | – | 1,973,306 | | 1,973,306 |
| | <hr/> | <hr/> | | <hr/> |
| At 30 June 2022 | 140,099,994 | 61,476,923 | | 201,576,917 |

| | Share capital | Revenue reserve | | Total equity |
|---|--------------------------|----------------------------|--|-------------------------|
| | \$ | \$ | | \$ |
| Company | | | | |
| As at 1 January 2023 | 140,099,994 | (32,049,398) | | 108,050,596 |
| Profit net of tax, representing total comprehensive income for the financial year | – | (584,117) | | (584,117) |
| | <hr/> | <hr/> | | <hr/> |
| At 30 June 2023 | 140,099,994 | (32,633,515) | | 107,466,479 |

| | Share capital | Revenue reserve | | Total equity |
|---|--------------------------|----------------------------|--|-------------------------|
| | \$ | \$ | | \$ |
| Company | | | | |
| As at 1 January 2022 | 140,099,994 | (34,362,146) | | 105,737,848 |
| Loss net of tax, representing total comprehensive income for the financial period | – | (544,745) | | (544,745) |
| | <hr/> | <hr/> | | <hr/> |
| At 30 June 2022 | 140,099,994 | (34,906,891) | | 105,193,103 |

Pollux Properties Ltd. and its subsidiaries

**Notes to the condensed interim financial information
For the six months ended 30 June 2023**

| | Note | 30.6.2023 (Unaudited) \$ | 30.6.2022 (Unaudited) \$ |
|---|-------------|---------------------------------------|---------------------------------------|
| Cash flows from operating activities | | | |
| Profit before tax | | 2,215,421 | 2,458,941 |
| Adjustments for: | | | |
| Depreciation of plant and equipment | | 40,048 | 25,981 |
| Interest income | | (3,538) | (55,894) |
| Interest expense | | 3,500,947 | 1,174,038 |
| Share of results of a joint venture | | 21,825 | 8,649 |
| Net foreign exchange differences | | (1,091,849) | – |
| | | <hr/> 4,682,854 | <hr/> 3,611,715 |
| Operating cash flows before changes in working capital | | | |
| Changes in working capital: | | | |
| Trade receivables | | 692,625 | (223,240) |
| Other receivables, deposits and prepayments | | (66,184) | 16,809 |
| Trade payables | | (688,160) | (28,709) |
| Contract liabilities | | (1,286,298) | (1,729,939) |
| Other payables and accruals | | (1,717,630) | 575,646 |
| | | <hr/> 1,617,207 | <hr/> 2,222,282 |
| Cash flows from operations | | | |
| Interest received | | 3,538 | 55,894 |
| Interest paid | | (3,500,947) | (1,174,038) |
| Income taxes paid | | (410,520) | (216,534) |
| | | <hr/> (2,290,722) | <hr/> 887,604 |
| Net cash flows (used in)/from operating activities | | | |
| Cash flows from investing activities | | | |
| Purchase of plant and equipment | | (81,109) | (74,509) |
| Additions to investment properties | | – | (197,484) |
| Proceeds from investment securities | | 210,000 | – |
| | | <hr/> 128,891 | <hr/> (271,993) |
| Net cash flows generated from/(used in) investing activities | | | |
| Cash flows from financing activities | | | |
| Repayment of loan from joint venture | | – | (228,666) |
| Repayment of loans and borrowings | | (3,538,633) | (3,063,958) |
| | | <hr/> (3,538,633) | <hr/> (3,292,624) |
| Net cash flows used in financing activities | | | |
| Net decrease in cash and cash equivalents | | | |
| Cash and cash equivalents at beginning of financial period | | 9,590,339 | 27,690,666 |
| Net effect of exchange rate changes on the balance of cash held in foreign currencies | | 350,074 | – |
| | | <hr/> 4,239,949 | <hr/> 25,013,653 |
| Cash and cash equivalents at end of financial period | 8 | | |

Pollux Properties Ltd. and its subsidiaries

Notes to the condensed interim financial information For the six months ended 30 June 2023

1. Corporate information

The condensed interim consolidated financial statements of Pollux Properties Ltd. and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2023 were authorised for issue in accordance with a resolution of the directors on 14 August 2023.

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

The principal activities of the Group are:

- a) leasing of its residential and commercial properties;
- b) income from serviced residence;
- c) provision of management and advisory services; and
- d) operations of hotels.

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

2.1 Basis of preparation

The condensed interim consolidated financial statements for the six months ended 30 June (“1H”) 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting*. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors considered that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated statements as at 31 December 2022.

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

2.2 New and amended standards adopted by the Group

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

2.3 Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2022.

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

The Group carries its investment properties with changes in fair values being recognised in profit or loss. The Group will engage real estate valuation experts to assess fair values as at 31 December 2023. The fair values of the investment properties are determined by independent real estate valuation experts using recognised valuation techniques. These techniques comprise both the market comparable approach and discounted cash flow method. The determination of the fair values of the investment properties requires the use of estimates on yield adjustments such as location, tenure and condition and size. These estimates are based on local market conditions existing at the end of each reporting date.

3. Seasonal operations

The Group is organised into the following main business segments:

- Property development segment is involved in the acquisition and development of properties for sale;
- Property investment segment is involved in the renting of properties and operating of serviced apartment;
- Corporate segment is involved in Group-level corporate services and investment;
- Fund management segment is involved in providing management and advisory services; and
- Hotel operations segment is involved in the operation of hotels and provision of food and beverage services.

Accordingly, the Group is able to negate the impact from seasonality as seasonal declines from a particular revenue stream would be partially offset by other less affected revenue streams. As a result, the Group was not materially affected by seasonal or cyclical factors during the financial period.

These operating segments are reported in a manner consistent with internal reporting provided to the management who monitors the operating results of its business units separately for the purpose of making decisions on resource allocation and assessing performance of the operating segment.

Pollux Properties Ltd. and its subsidiaries

**Notes to the condensed interim financial information
For the six months ended 30 June 2023**

4. Disaggregation of Revenue

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

| | Serviced Apartment | | Investment properties | | Fund management | | Hotel operations | | Total revenue | |
|--|--------------------|-------------|-----------------------|-------------|-----------------|-------------|------------------|-------------|---------------|-------------|
| | 1H2023* | 1H2022 | 1H2023 | 1H2022 | 1H2023 | 1H2022 | 1H2023 | 1H2022 | 1H2023 | 1H2022 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| | \$ | \$ | \$ | \$ | \$ | \$ | | | \$ | \$ |
| Primary geographical markets | | | | | | | | | | |
| Singapore | – | 2,454,060 | 6,611,457 | 3,897,607 | – | 28,467 | – | – | 6,611,457 | 6,380,134 |
| Indonesia | – | – | – | – | – | – | 59,433 | – | 59,433 | – |
| | – | 2,454,060 | 6,611,457 | 3,897,607 | – | 28,467 | 59,433 | – | 6,670,890 | 6,380,134 |
| Major product or service lines | | | | | | | | | | |
| Residential properties | – | – | 707,142 | 660,797 | – | – | – | – | 707,142 | 660,797 |
| Commercial properties | – | – | 5,940,315 | 3,236,810 | – | – | – | – | 5,940,315 | 3,236,810 |
| Serviced apartment operation income | – | 2,454,060 | – | – | – | – | – | – | – | 2,454,060 |
| Management and advisory fees | – | – | – | – | – | 28,467 | – | – | – | 28,467 |
| Hotel operations income | – | – | – | – | – | – | 59,433 | – | 59,433 | – |
| | – | 2,454,060 | 6,611,457 | 3,897,607 | – | 28,467 | 59,433 | – | 6,670,890 | 6,380,134 |
| Timing of transfer of goods or services | | | | | | | | | | |
| At a point in time | – | – | – | – | – | 28,467 | 59,433 | – | 59,433 | 28,467 |
| Over time | – | 2,454,060 | 6,611,457 | 3,897,607 | – | – | – | – | 6,611,457 | 6,351,667 |
| | – | 2,454,060 | 6,611,457 | 3,897,607 | – | 28,467 | 59,433 | – | 6,670,890 | 6,380,134 |

*With effect from 1 January 2023, the Group's serviced apartment had been fully leased out to an external operator. Revenue has been accounted for as rental income from investment properties accordingly.

Pollux Properties Ltd. and its Subsidiaries

Notes to the condensed interim financial information
For the six months ended 30 June 2023

5. Reportable Segments

| | Property investment | | Property development | | Corporate | | Fund management | | Hotel operations | | Total | |
|-----------------------------------|---------------------|--------------------|----------------------|------------------|-------------------|-------------------|-----------------|----------------|-------------------|-------------|--------------------|--------------------|
| | 1H2023 | 1H2022 | 1H2023 | 1H2022 | 1H2023 | 1H2022 | 1H2023 | 1H2022 | 1H2023 | 1H2022 | 1H2023 | 1H2022 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenue: | | | | | | | | | | | | |
| External customers | 6,611,457 | 6,351,667 | – | – | – | – | – | 28,467 | 59,433 | – | 6,670,890 | 6,380,134 |
| Inter-segment | – | – | – | – | – | – | – | – | – | – | – | – |
| Total revenue | 6,611,457 | 6,351,667 | – | – | – | – | – | 28,467 | 59,433 | – | 6,670,890 | 6,380,134 |
| Results: | | | | | | | | | | | | |
| Interest income | 2,528 | 1,479 | – | – | – | 54,415 | – | – | 1,010 | – | 3,538 | 55,894 |
| Other income | 32,905 | 1,196 | – | – | 237 | 34,581 | – | – | 1,091,849 | – | 1,124,991 | 35,777 |
| Depreciation | 38,080 | 24,486 | – | – | 1,968 | 1,495 | – | – | – | – | 40,048 | 25,981 |
| Interest expense | 3,500,947 | 1,174,038 | – | – | – | – | – | – | – | – | 3,500,947 | 1,174,038 |
| Share of results of joint venture | – | – | (21,825) | (8,649) | – | – | – | – | – | – | (21,825) | (8,649) |
| Income tax expense | 212,233 | 485,635 | – | – | – | – | – | – | – | – | 212,233 | 485,635 |
| Segment profit/(loss) | 1,517,852 | 2,552,804 | (24,721) | (17,492) | (605,156) | (557,948) | 37,501 | (4,058) | 1,077,712 | – | 2,003,188 | 1,973,306 |
| Assets | | | | | | | | | | | | |
| Investment in a joint venture | – | – | 2,603,329 | 3,068,021 | – | – | – | – | – | – | 2,603,329 | 3,068,021 |
| Additions to non-current assets | – | 197,484 | – | – | – | – | – | – | – | – | – | 197,484 |
| Segment assets | 348,560,898 | 343,807,366 | – | 1,796,777 | 733,586 | 21,683,164 | 522,917 | 495,928 | 20,151,061 | – | 369,968,462 | 367,783,235 |
| Total assets | 348,560,898 | 344,004,850 | 2,603,329 | 4,864,798 | 733,586 | 21,683,164 | 522,917 | 495,928 | 20,151,061 | – | 372,571,791 | 371,048,740 |
| Liabilities | | | | | | | | | | | | |
| Provision for taxation | 611,628 | 690,837 | – | – | – | – | – | – | – | – | 611,628 | 690,837 |
| Deferred tax liabilities | 8,336 | 8,336 | – | – | – | – | – | – | – | – | 8,336 | 8,336 |
| Segment liabilities | 135,672,962 | 147,016,795 | 1,840,851 | 1,838,790 | 25,113,504 | 19,910,611 | 5,465 | 6,454 | 1,265,421 | – | 163,898,203 | 168,772,650 |
| Total liabilities | 136,292,926 | 147,715,968 | 1,840,851 | 1,838,790 | 25,113,504 | 19,910,611 | 5,465 | 6,454 | 1,265,421 | – | 164,518,167 | 169,471,823 |

Pollux Properties Ltd. and its Subsidiaries

**Notes to the condensed interim financial information
For the six months ended 30 June 2023**

6. Income tax expense

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

| | Group | |
|----------------------------|---------------|---------------|
| | 1H2023 | 1H2022 |
| | \$ | \$ |
| Income taxes | | |
| Current income tax expense | 212,233 | 485,635 |

7. Financial assets and financial liabilities

Set out below, is an overview of financial assets held by the Group and the Company as at 30 June 2023 and 31 December 2022:

| | Group | | Company | |
|--|------------------|-------------------|-------------------|-------------------|
| | 30.6.2023 | 31.12.2022 | 30.6.2023 | 31.12.2022 |
| | \$ | \$ | \$ | \$ |
| Financial assets at amortised cost | | | | |
| Trade receivables | 99,586 | 792,211 | – | – |
| Other receivables and deposits | 297,481 | 277,346 | 792 | 791 |
| Due from subsidiaries | – | – | 47,169,421 | 46,212,148 |
| Due from related companies | 15 | 15 | – | – |
| Cash and cash equivalents | 4,239,949 | 9,590,339 | 11,496 | 18,357 |
| Equity instruments at fair value through profit or loss | | | | |
| Quoted equity securities | 333,816 | 333,816 | – | – |
| Unquoted equity securities | 292,881 | 502,881 | 292,881 | 502,881 |
| Total | 5,263,728 | 11,496,608 | 47,474,590 | 46,734,177 |
| Total current financial assets | 4,970,847 | 10,993,727 | 47,181,709 | 46,231,296 |
| Total non-current financial assets | 292,881 | 502,881 | 292,881 | 502,881 |

Pollux Properties Ltd. and its Subsidiaries

Notes to the condensed interim financial information For the six months ended 30 June 2023

Set out below is an overview of financial liabilities held by the Group and the Company as at 30 June 2023 and 31 December 2022:

| | Group | | Company | |
|--|--------------------|--------------------|-------------------|-------------------|
| | 30.6.2023 \$ | 31.12.2022 \$ | 30.6.2023 \$ | 31.12.2022 \$ |
| Financial liabilities at amortised cost | | | | |
| Trade payables | 2,084,763 | 2,772,923 | – | – |
| Other payables and accruals | 5,355,683 | 6,877,574 | 327,936 | 359,341 |
| Interest bearing loans and borrowings, current | 17,130,997 | 22,456,622 | – | – |
| Interest bearing loans and borrowings, non-current | 135,542,255 | 133,755,263 | – | – |
| Loan from joint venture | 2,288,147 | 2,288,147 | 2,288,147 | 2,288,147 |
| Due to subsidiaries | – | – | 79,455,681 | 78,118,714 |
| Due to related parties | 51 | 51 | – | – |
| Total | 162,401,896 | 168,150,580 | 82,071,764 | 80,766,202 |
| Total current financial liabilities | 24,571,494 | 32,257,962 | 79,783,617 | 78,478,055 |
| Total non-current financial liabilities | 137,830,402 | 136,043,410 | 2,288,147 | 2,288,147 |

Fair values

Set out below, is a comparison of the carrying amounts and fair values of financial assets and financial liabilities as at 30 June 2023 and 31 December 2022:

| | 30 June 2023 | | 31 December 2022 | |
|---------------------------------------|-----------------------|--------------------|-----------------------|--------------------|
| | Carrying amount \$ | Fair value \$ | Carrying amount \$ | Fair value \$ |
| Financial assets | | | | |
| Quoted equity securities | 333,816 | 333,816 | 333,816 | 333,816 |
| Unquoted equity securities | 292,881 | 292,881 | 502,881 | 502,881 |
| Total | 626,697 | 626,697 | 836,697 | 836,697 |
| | | | | |
| | 30 June 2023 | | 31 December 2022 | |
| | Carrying amount \$ | Fair value \$ | Carrying amount \$ | Fair value \$ |
| Financial liabilities | | | | |
| Interest bearing loans and borrowings | 152,673,252 | 152,673,252 | 156,211,885 | 156,211,885 |
| Total | 152,673,252 | 152,673,252 | 156,211,885 | 156,211,885 |

Pollux Properties Ltd. and its Subsidiaries

Notes to the condensed interim financial information For the six months ended 30 June 2023

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities as at 30 June 2023:

| | Group 30.6.2023 | | | Total \$ |
|--|---|---|--|-------------|
| | Quoted prices in active markets for identical instruments (Level 1) \$ | Significant observable inputs other than quoted prices (Level 2) \$ | Significant unobservable inputs (Level 3) \$ | |
| Financial assets: | | | | |
| <u>Equity securities at fair value</u> | | | | |
| <u>through profit or loss</u> | | | | |
| Quoted equity securities | 333,816 | – | – | 333,816 |
| Unquoted equity securities | – | – | 292,881 | 292,881 |

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the six months ended 30 June 2023.

Fair value hierarchy

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

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

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

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

Set out below are the significant unobservable inputs to valuation as at 30 June 2023:

| Description | Valuation techniques | Unobservable inputs | Range | Sensitivity of the input to fair value |
|--|----------------------------|---------------------|---------------|---|
| Investment in equity securities (unquoted) | Discounted cash flow basis | Capitalisation rate | 0% (2022: 0%) | Increase/(decrease) in the capitalisation rate decrease/(increase) the fair value |

Pollux Properties Ltd. and its Subsidiaries

Notes to the condensed interim financial information For the six months ended 30 June 2023

8. Cash and short-term deposits

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

| | Group | |
|--|------------------|-------------------|
| | 30.6.2023 | 31.12.2022 |
| | (Unaudited) | (Audited) |
| | \$ | \$ |
| Cash at banks and in hand | 1,709,949 | 7,060,339 |
| Pledged bank deposits | 2,530,000 | 2,530,000 |
| Total cash and cash equivalents | 4,239,949 | 9,590,339 |

9. Commitments

Operating lease commitments – as lessor

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

Future minimum rentals receivables under non-cancellable operating leases as at 30 June 2023 and 31 December 2022 are as follows:

| | Group | |
|--|-------------------|-------------------|
| | 30.6.2023 | 31.12.2022 |
| | (Unaudited) | (Audited) |
| | \$ | \$ |
| Not later than 1 year | 12,872,680 | 9,092,557 |
| Later than 1 year but not later than 5 years | 3,433,385 | 7,014,068 |
| Later than 5 years | 200,000 | 407,665 |
| | 16,506,065 | 16,514,290 |

10. Contingent liabilities

Guarantees

As at 30 June 2023, corporate guarantees issued to banks by the Company in respect of banking facilities extended to subsidiaries amounted to \$175,001,291 (31 December 2022: \$178,472,858) of which the amounts utilised by the subsidiaries was \$156,211,885 (31 December 2022: \$156,211,885).

Pollux Properties Ltd. and its Subsidiaries

**Notes to the condensed interim financial information
For the six months ended 30 June 2023**

11. Related party transactions

Compensation of key management personnel

| | Group | |
|---|------------------------------------|------------------------------------|
| | 1H2023 (Unaudited) \$ | 1H2022 (Unaudited) \$ |
| Short-term employee benefits | 229,500 | 248,250 |
| Central Provident Fund contributions | 6,120 | 9,308 |
| Other short-term benefits | – | – |
| | | |
| Total compensation paid to key management personnel | 235,620 | 257,558 |
| | | |
| Comprised amounts paid to: | | |
| Directors of the Company | 147,000 | 147,000 |
| Other key management personnel | 88,620 | 110,558 |
| | 235,620 | 257,558 |
| | | |

12. Share capital

| Company | 30.6.2023 | | 31.12.2022 | |
|--|--------------------------|-------------|--------------------------|-------------|
| | No. of shares | \$ | No. of shares | \$ |
| Issued and fully paid ordinary shares | | | | |
| Beginning and end of financial period | 2,759,468,325 | 140,099,994 | 2,759,468,325 | 140,099,994 |
| | | | | |

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

There was no change in the Company's issued and paid-up share capital from 1 January 2023 to 30 June 2023, and accordingly, no change since the end of the previous period reported on.

There were no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 30 June 2023 and 30 June 2022.

There was no sale, transfer, disposal, cancellation and/or use of treasury shares or subsidiary holdings during the six-month period ended 30 June 2023.

Pollux Properties Ltd. and its Subsidiaries

Notes to the condensed interim financial information For the six months ended 30 June 2023

13. Investment properties

| | Group | |
|--|-------------|-------------|
| | 30.06.2023 | 31.12.2022 |
| | \$ | \$ |
| Beginning of the financial year/period | 344,050,000 | 339,050,000 |
| Net gain from fair value adjustments recognised in profit or loss | – | 4,631,356 |
| Additions to investment properties | – | 368,644 |
| End of the financial year/period | 344,050,000 | 344,050,000 |
| At valuation: | | |
| Freehold properties | 296,100,000 | 296,100,000 |
| Leasehold properties | 47,950,000 | 47,950,000 |

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

Valuation of investment properties

The Group's policy is for investment properties to be measured at fair value for which the Group engages independent valuers at the end of the year. The Group did not engage an independent valuer to determine the fair value of the properties as at 30 June 2023. Management had considered and assessed the underlying factors that could have a material impact to the fair value of the investment properties since the last valuations performed as at 31 December 2022. The fair value of the investment properties as at 30 June 2023 did not differ materially from 31 December 2022.

14. Loans and borrowings

| | Group | |
|----------------------------------|-------------|-------------|
| | 30.6.2023 | 31.12.2022 |
| | \$ | \$ |
| Amount repayable within one year | 17,130,997 | 22,456,622 |
| Amount repayable after one year | 135,542,255 | 133,755,263 |
| Total loans and borrowings | 152,673,252 | 156,211,885 |

There are no unsecured loans for the financial period ended 30 June 2023 and 31 December 2022. The Group's loans are generally secured by the following:

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

15. Subsequent events

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

Pollux Properties Ltd. and its Subsidiaries

Notes to the condensed interim financial information For the six months ended 30 June 2023

Other Information Required by Listing Rule Appendix 7C

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 30 June 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the auditors of the Company.

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

Not applicable.

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

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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

Not applicable. The Group's latest audited financial statements for the financial year ended 31 December 2022 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

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

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

| | Group | |
|---|-----------|-----------|
| | 1H2023 | 1H2022 |
| Basic (cents) | 0.073 | 0.072 |
| Diluted (cents) | 0.073 | 0.072 |
| Profit attributable to owners of the Company (in S\$'000) | 2,003 | 1,973 |
| Weighted average number of ordinary shares for basic and diluted earnings per share computation (in '000) | 2,759,468 | 2,759,468 |

Pollux Properties Ltd. and its Subsidiaries

Notes to the condensed interim financial information For the six months ended 30 June 2023

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

The basic and diluted earnings per share are the same for 1H2023 and 1H2022 as the Company has no dilutive equity instruments as at 30 June 2023 and 30 June 2022.

7. Net assets value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

| | As at 30 June 2023 | As at 31 December 2022 |
|--|-------------------------------|---------------------------------------|
| Net asset value per ordinary share (cents) – Group | 7.54 | 7.46 |
| Net asset value per ordinary share (cents) – Company | 3.89 | 3.92 |

The calculations of net asset value per ordinary share of the Group and the Company were based on (i) the net asset value of the Group and the Company as at 30 June 2023 and 31 December 2022 respectively; and (ii) 2,759,468,325 shares as at 30 June 2023 and 31 December 2022.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets and liabilities of the group during the current financial period reported on.

Revenue

The Group's revenue in 1H2023 comprised income from rental income and income under the hotel operations segment. The increase of 5% in 1H2023 as compared to 1H2022 was largely due to the increase in rental income from the property investment segment.

Cost of sales and Gross profit

The Group's cost of sales decreased by 97% from S\$0.96 million in 1H2022 to S\$0.03 million in 1H2023. The cost of sales was derived from costs incurred to operate the hotels in 1H2023, in contrast to costs incurred to operate the serviced apartment in 1H2022. There was no cost of sales incurred to operate the serviced apartment in 1H2023 as the serviced apartment has been leased out to an external operator since 1 January 2023. Correspondingly, gross profit has increased by 23% in 1H2023.

Interest income

Interest income mainly pertains to interest received from fixed deposits placed in bank. The decrease in interest income of 94% was attributable to lower interest earned and less fixed deposits placed in bank.

Other income

Other income has increased significantly from S\$0.03 million in 1H2022 to S\$1.12 million in 1H2023 mainly due to unrealised foreign exchange gains with the Group's exposure to the Indonesian Rupiah.

Marketing and distribution expenses

Marketing and distribution expenses include marketing efforts for rental leases and third-party commissions paid to property agents. The decrease of S\$0.03 million in 1H2023 was mainly due to fewer marketing activities for the Group's properties.

Pollux Properties Ltd. and its Subsidiaries

Notes to the condensed interim financial information For the six months ended 30 June 2023

General and administrative expenses

General and administrative expenses include staff costs, depreciation expenses, professional fees, directors' fees and office expenses. The increase of S\$0.19 million or 11% from S\$1.80 million in 1H2022 to S\$1.99 million in 1H2023 was mainly due to additional costs incurred to operate the Group's properties' operations in both Singapore and Indonesia.

Finance costs

The increase in finance costs of S\$2.33 million was mainly due to higher weighted average interest rates charged by the banks during 1H2023 amidst the current rising interest rate environment.

Share of results of a joint venture, net of tax

The share of loss of a joint venture during 1H2023 was mainly due to operating expenses incurred by the joint venture. The increase in loss was mainly attributable to repairs and maintenance incurred by the four retail units held by its subsidiary.

Income tax expense

The decline in income tax expense of S\$0.27 million was mainly attributable to lower taxable profit in 1H2023.

As a result of the above, the Group recorded a net profit of S\$2.00 million in 1H2023 as compared to net profit of S\$1.97 million in 1H2022.

Balance sheets

The financial position of the Group remained strong with net assets of S\$208.05 million as at 30 June 2023. The Group's cash and cash equivalents stood at S\$4.24 million as at 30 June 2023 as compared to S\$9.59 million as at 31 December 2022.

Assets

Total assets stood at S\$372.57 million as at 30 June 2023 as compared to S\$377.91 million as at 31 December 2022. The decrease of S\$5.34 million was mainly due to (i) decrease of S\$5.35 million in cash and cash equivalents largely due to the repayment of loans and borrowings; (ii) decrease of S\$0.21 million in investment securities due to proceeds received during the period, which were partially offset by an (iii) increase in plant, property and equipment of S\$0.87 million.

Liabilities

Total liabilities stood at S\$164.52 million as at 30 June 2023 as compared to S\$171.95 million as at 31 December 2022. The decrease of S\$7.43 million was mainly due to (i) the repayment of loans and borrowings of S\$3.54 million; (ii) decrease of S\$0.69 million in trade payables from the payment settlement to trade vendors and suppliers; (iii) decrease in advanced rental received from customers of S\$1.29 million and (iv) decrease in other payables and accruals of S\$1.72 million.

As at 30 June 2023, the Group's current liabilities exceeded its current assets by S\$18,976,347 (31 December 2022: S\$22,215,516). In prior year, the Group had acquired three hotel properties ("Properties") in Bekasi, Indonesia which were funded internally by cash. The Properties are currently classified as non-current assets resulting in the Group's net current liability position as at 30 June 2023. The Group is in the process of refinancing its loans and borrowings to meet its current obligations as and when they fall due.

Pollux Properties Ltd. and its Subsidiaries

Notes to the condensed interim financial information For the six months ended 30 June 2023

Consolidated cash flow statement

The Group's cash and cash equivalents decreased mainly due to the following:-

Net cash flows used in operating activities of S\$2.29 million was mainly derived from (i) profit before tax; (ii) receipts from trade receivables, partially offset by (iii) payments made to trade creditors; (iii) payment of income tax; and (iv) decrease in rental received in advance.

Net cash flows generated from investing activities of S\$0.13 million was mainly due to proceeds from investment securities partially offset by purchase of plant, property and equipment relating to the hotel business in Indonesia.

Net cash flows used in financing activities of S\$3.54 million was mainly due to repayment of loans and borrowings.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any know factors or events that may affect the group in the next reporting period and the next 12 months.

Based on advance estimates by the Ministry of Trade and Industry ("MTI"), Singapore's Gross Domestic Product ("GDP") grew by 0.7% in the second quarter of 2023.¹ MTI expects the 2023 GDP growth forecast for Singapore to be maintained at 0.5% to 2.5%.² Effects from the global growth slowdown, inflationary pressures and escalation in geopolitical tensions are flagged as risks to Singapore's growth outlook.³ In June 2023, private sector economists have reduced their estimates for Singapore's GDP growth forecast to 1.4%.

Private residential prices fell in Singapore for the first time in 3 years, dropping by 0.4% in the second quarter of 2023.⁴ The fall in prices could be attributable to the uncertain economic outlook coupled with several rounds of property cooling measures announced since December 2021, including the third latest measure implemented in April 2023. Private residential rents are also likely to soften in the second half of 2023 as a result of greater supply of new completions.⁵ With more private residential completions expected throughout the year, rental pressure for homes is expected to ease. Due to lower business confidence and uncertainties surrounding financing costs, short term lease renewals are probable for the current year instead of large-scale relocation or expansion.⁶ Despite facing increased volatility in the financial markets, including persistent technology sector layoffs, the office demand is supported by businesses' shift to Singapore amidst strong growth sentiments in Southeast Asia.

Indonesia received 2.25 million tourists in the first quarter of 2023, compared to 5.5 million tourists for the whole of 2022.⁷ The target number of foreign tourists anticipated had been revised from 7.4 million to 8.5 million due to visible strong momentum of tourist influx.⁸ Tourism recovery continues apace in Indonesia with domestic travel on the rise as well.

¹ <https://www.mti.gov.sg/Newsroom/Press-Releases/2023/07/Singapore-GDP-Grew-by-0.7-Per-Cent-in-the-Second-Quarter-of-2023>

² <https://www.mti.gov.sg/Newsroom/Press-Releases/2023/05/MTI-Maintains-2023-GDP-Growth-Forecast-at-0.5-to-2.5-Per-Cent>

³ <https://www.channelnewsasia.com/singapore/singapore-economy-growth-forecast-cut-private-sector-economists-june-3560346>

⁴ <https://www.ur.gov.sg/Corporate/Media-Room/Media-Releases/pr23-22>

⁵ <https://www.savills.com.sg/insight-and-opinion/savills-news/211829-0/private-residential-rents-likely-to-fall-in-h2-2023-despite-a-7.2-quarter-on-quarter-rise-in-rents-in-q1-2023#:~:text=The%20rents%20of%20private%20residential,to%20158.8%20in%20Q1%2F2023>

⁶ <https://www.cushmanwakefield.com/en/singapore/insights/singapore-marketbeat/office-marketbeat-report>

⁷ <https://www.hindustantimes.com/lifestyle/travel/indonesia-witnesses-spike-in-tourist-arrivals-in-low-season-for-tourism-101683016238038.html>

⁸ <https://www.thejakartapost.com/business/2023/07/12/indonesia-en-route-to-achieving-8-5-million-foreign-arrivals-this-year-sandiaga.html>

Pollux Properties Ltd. and its Subsidiaries

Notes to the condensed interim financial information For the six months ended 30 June 2023

Revenue streams from Singapore-based investment properties are expected to be recurring and fixed in accordance with their lease terms. The hotels acquired in Indonesia are currently in the process of fit-out and soft opening. At this juncture, the Group will not be expanding its fee-based business under the fund management segment due to the uncertain economic outlook.

The Group is exercising prudence in cash flow management by adopting cost-savings initiatives and deferring non-essential capital expenditure. The Group will continue to remain cautious when seeking accretive land and investments locally and abroad.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend has been declared or recommended for 1H2023 as cash flows are being directed to fund the Group's operating activities and the Company was in an accumulated loss position as at 30 June 2023.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have any general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**").

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the Catalist Rules.

The Company confirms that it has procured all the required undertakings from all directors and executive officers of the Company under Rule 720(1) of the Catalist Rules.

Pollux Properties Ltd. and its Subsidiaries

**Notes to the condensed interim financial information
For the six months ended 30 June 2023**

15. Disclosure pursuant to Rule 706A of the Catalist Rules

There were no acquisitions or realisation of shares thereby resulting (i) in a change in the shareholding percentage in any subsidiary or associated company of the Group or (ii) an entity becoming or ceasing to be (as the case may be) a subsidiary or associated company of the Group during 1H2023.

16. Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules

The board of directors of the Company confirms that, to the best of its knowledge, nothing has come to the attention of the board of directors which may render the unaudited financial results for the six months ended 30 June 2023 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD OF DIRECTORS

Jacob Lee
Executive Director and CEO

Phua Cher Chew
Non-Executive and Independent Chairman

14 August 2023