Roxy-Pacific
Holdings Limited

ROXY-PACIFIC HOLDINGS LIMITED

(Registration Number: 196700135Z)

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

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UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

PART I-INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

1(a) (i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement

	Note	Third quarter ended 30 September			Nine month ended 30 September		
		2018 S$'000	2017 S$'000 (Restated)	Change %	2018 S$'000	2017 S$'000 (Restated)	Change %
Revenue	A.1	**18,768**	60,251	-69%	**102,027**	203,493	-50%
Cost of sales	A.2	**(8,079)**	(42,711)	-81%	**(65,388)**	(155,877)	-58%
Gross profit	A.2	**10,689**	17,540	-39%	**36,639**	47,616	-23%
Other operating income	A.3	**2,042**	985	107%	**8,390**	29,301	-71%
Distribution and selling expenses	A.4	**(2,074)**	(1,492)	39%	**(6,489)**	(3,374)	92%
Administrative expenses	A.5	**(2,063)**	(4,112)	-50%	**(6,377)**	(8,280)	-23%
Other operating expenses	A.6	**(3,899)**	(6,825)	-43%	**(15,573)**	(24,104)	-35%
Finance costs	A.7	**(2,438)**	(3,213)	-24%	**(9,062)**	(10,964)	-17%
Share of results of associates (net of income tax)	A.8	**2,779**	603	361%	**14,304**	8,008	79%
Profit before taxation		**5,036**	3,486	44%	**21,832**	38,203	-43%
Taxation	A.9	**(859)**	(1,103)	-22%	**(3,942)**	(14,077)	-72%
Profit after taxation		**4,177**	2,383	75%	**17,890**	24,126	-26%
Attributable to:							
Equity holders of the Company		**4,381**	1,595	175%	**17,939**	22,358	-20%
Non-controlling interests	A.14	**(204)**	788	n/m	**(49)**	1,768	n/m
		4,177	2,383	75%	**17,890**	24,126	-26%

1(a) (ii) Consolidated Income Statement is arrived at:

	Note	Third quarter ended 30 September			Nine month ended 30 September		
		2018 S$'000	2017 S$'000	Change %	2018 S$'000	2017 S$'000	Change %
after crediting:							
Fair value gain on investment properties	A.8	**-**	-	-	**3,471**	24,047	-85%
Foreign exchange gain (realised)	A.10	**57**	8	n/m	**571**	44	n/m
Foreign exchange gain (unrealised)	A.11	**-**	440	n/m	**298**	1,888	-84%
Interest income		**464**	239	94%	**1,459**	1,693	-14%
Fair value gain on cross currency interest rate swap	A.12	-	**-**	-	**-**	666	n/m
after charging:							
Depreciation of property, plant and equipment	A.6	**(1,487)**	(507)	193%	**(4,629)**	(4,051)	14%
Amortisation of intangible assets		**(46)**	(4)	n/m	**(136)**	(13)	n/m
Directors' fees		**(31)**	(38)	-20%	**(107)**	(115)	-7%
Foreign exchange loss (realised)		**(0)**	(53)	n/m	**(7)**	(369)	-98%
Foreign exchange loss (unrealised)	A.13	**(377)**	(390)	-3%	**(1,497)**	(1,112)	35%
Provision for doubtful debt		**-**	-	-	**-**	(23)	n/m
Provision for impairment of long-term loans to associates		**-**	-	-	**-**	(5,197)	n/m
Interest on borrowings	A.7	**(2,428)**	(3,109)	-22%	**(8,944)**	(10,747)	-17%
Staff costs (including directors' remuneration)	A.5	**(4,757)**	(7,124)	-33%	**(15,064)**	(17,304)	-13%
Fair value loss on cross currency interest rate swap		**-**	(11)	n/m	-	-	-

n/m: not meaningful

Notes to Consolidated Income Statement:

A.1 Revenue decreased in 9M2018 and 3Q2018 mainly due to lower contribution from the Property Development and Property Investment segments, partially offset by higher revenue from Hotel Ownership segment. Please refer to paragraph 8(a) for a more detailed analysis.

A.2 Cost of sales and gross profit decreased in 9M2018 and 3Q2018, in line with the lower revenue. Please refer to paragraph 8(a) for a more detailed analysis.

A.3 Other operating income decreased in 9M2018 mainly due to higher fair value gain on investment property recorded for 59 Goulburn Street amounting to $28.3 million in 2Q2017 as compared to $3.5 million fair value gain recorded from NZI Centre. This was partially offset by fair value loss from Roxy Square in 2017.

Other operating income increased in 3Q2018 mainly due to partial forfeiture of instalments previously paid by two purchasers from Liv on Wilkie and Sunnyvale as a result of repudiation of sale and purchase agreements.

A.4 Distribution and selling expenses were higher in 9M2018 mainly due to showflats expenses incurred for 120 Grange, Harbour View Gardens, Bukit 828 and the upcoming project, RV Altitude. The higher distribution and selling expenses in 3Q2018 were mainly due to showflat expenses incurred for Bukit 828.

A.5 Administrative expenses were lower in 9M2018 and 3Q2018 mainly due lower provision for directors' incentive bonus.

A.6 Other operating expense decreased in 9M2018 and 3Q2018 mainly due provision made in prior year for impairment ($5.2 million) of long-term loans to an associate as a result of higher than expected construction costs for the hotel development project in Perth and property, plant and equipment written off from the sale of 59 Goulburn Street building 3Q2017.

Depreciation expense increased in 9M2018 and 3Q2018 mainly due to depreciation of Noku Osaka upon the commencement of its hotel operation from 4Q2017. Lower depreciation in 3Q2017 is also due to deferment of depreciation of assets at Maldives resort during the period of retrofitting. The adjustment for deferment of depreciation was made in 3Q2017.

A.7 In 9M2018 and 3Q2018, finance costs decreased mainly due to repayment of bank loan pertaining to 59 Goulburn Street, the sales of building was completed in October 2017. The Group has also partially repaid $19.5 million of the $50 million MTN Series 1 Note in 3Q2017 with the remaining $40.5 million fully repaid in July 2018. This was partially offset by the interest on loans relating to the acquisition of Noku Osaka in Japan and NZI Centre in New Zealand.

A.8 Share of results of associates increased in 9M2018 mainly due to recognition of fair value gain on 117 Clarence Street in 2Q2018. The property was subsequently sold in 3Q2018.

Share of results of associates increased in 3Q2018 mainly due to write-back of tax provision for an associate.

A.9 The lower tax expense in 9M2018 is mainly due to absence of tax provision for the sale of 59 Goulburn Street, which was recorded in 2Q2017.

A.10 In 9M2018, foreign exchange gain (realised) arose mainly due to conversion of AUD fixed deposit into SGD on its maturity.

A.11 In 9M2018, foreign exchange gain (unrealised) arose mainly from appreciation of JPY from advances made to subsidiaries. 9M2017 exchange gain (unrealised) arose mainly from depreciation of HKD payable against SGD.

A.12 The fair value gain on cross currency interest rate swap ("CCS") is recorded in other operating income in 9M2017. The CCS has matured on 17 July 2017.

A.13 Foreign exchange loss (unrealised) in 9M2018 arose mainly due to depreciation of AUD receivables from subsidiaries and appreciation of HKD payable. 9M2017 foreign exchange loss was mainly due to appreciation of AUD bank borrowings.

A.14 Non-controlling interests was a loss in 9M2018 and 3Q2018 mainly due to showflat expenses incurred for 120 Grange and Bukit 828 projects. In 9M2017 and 3Q2107, non-controlling interests comprised mainly profits from Trilive, the contribution from which in 9M2018 and 3Q2018 was lower mainly due to its Temporary Occupation Permits ("TOP") obtained in June 2018.

1(a) (iii) Consolidated Statement of Comprehensive Income

		Third quarter ended 30 September			Nine month ended 30 September		
		2018 S$'000	**2017 S$'000 (Restated)**	**Change %**	**2018 S$'000**	**2017 S$'000 (Restated)**	**Change %**
Profit after taxation		**4,177**	2,383	75%	**17,890**	24,126	-26%
Other comprehensive income							
Net change in fair value of available-for-sale financial assets		**(209)**	86	n/m	**(335)**	161	n/m
Fair value of owner occupied Property, Plant and Equipment transferred to Investment Property		**-**	533	n/m	**-**	533	n/m
Tax on other comprehensive income		**36**	(15)	n/m	**57**	(27)	n/m
Currency translation differences arising from consolidation	A.15	**(5,155)**	1,042	n/m	**(11,806)**	5,891	n/m
Other comprehensive profit, net of tax		**(5,328)**	1,646	n/m	**(12,084)**	6,558	n/m
Total comprehensive income for the period		**(1,151)**	4,029	n/m	**5,806**	30,684	-81%
Attributable to:							
Equity holders of the Company		**(947)**	2,991	n/m	**5,852**	28,917	-80%
Non-controlling interests		**(204)**	1,038	n/m	**(46)**	1,767	n/m
		(1,151)	4,029	n/m	**5,806**	30,684	-81%

A.15 Currency translation differences in 9M2018 and 3Q2018 arose mainly from the depreciation of AUD against SGD during the period.

n/m: not meaningful

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1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

		GROUP			COMPANY	
	Note	**30-Sep-18**	**31-Dec-17**	**1-Jan-17**	**30-Sep-18**	**31-Dec-17**
		S$'000	S$'000 (Restated)	S$'000 (Restated)	**S$'000**	S$'000
ASSETS						
Non-Current						
Property, plant and equipment	B.1	**229,548**	215,507	175,527	**788**	801
Intangible assets		**410**	541	68	**368**	491
Investment properties		**124,391**	124,191	198,835	**-**	-
Investment in subsidiaries	B.2	**-**	-		**173,986**	143,180
Investment in associates	B.3	**132,662**	164,875	146,943	**-**	-
Amounts due from associates	B.3	**52,684**	34,876	11,264	**-**	-
Available-for-sale financial assets	B.4	**1,940**	2,275	1,425	**440**	700
		541,635	542,265	534,063	**175,582**	145,172
Current						
Development properties for sale*	B.5	**722,841**	540,584	486,369	-	-
Inventories		**1,282**	1,065	784	-	-
Trade receivables	B.6	**53,005**	53,279	93,145	**10**	9
Other receivables	B.7	**5,791**	31,054	22,418	**401,049**	336,084
Cash and bank balances		**257,634**	322,460	325,325	**125,855**	168,220
		1,040,553	948,442	928,041	**526,914**	504,313
Total assets		**1,582,188**	1,490,707	1,462,104	**702,496**	649,485
EQUITY AND LIABILITIES						
Capital and Reserves						
Share capital		**47,399**	47,399	47,399	**47,399**	47,399
Treasury shares		**(3,328)**	(564)	(555)	**(3,328)**	(564)
Fair value reserve		**34**	312	50	**(78)**	138
Revaluation reserve		**533**	533	-	**-**	-
Translation reserve		**(16,326)**	(4,517)	(2,146)	**(4,239)**	768
Retained earnings		**467,285**	461,068	447,001	**199,932**	174,572
Equity attributable to owners of the Company		**495,597**	504,231	491,749	**239,686**	222,313
Non-controlling interests		**4,655**	5,071	3,745	**-**	-
		500,252	509,302	495,494	**239,686**	222,313
Liabilities						
Non-Current						
Bank borrowings	B.10	**317,699**	318,090	270,549	**-**	-
Deferred tax liabilities	B.9	**12,621**	16,475	33,094	**589**	643
		330,320	334,565	303,643	**589**	643
Current						
Trade and other payables	B.8	**72,070**	62,211	98,715	**403,232**	377,055
Provision for taxation	B.9	**18,044**	30,873	2,104	**259**	300
Bank borrowings	B.10	**661,502**	553,756	562,148	**58,730**	49,174
		751,616	646,840	662,967	**462,221**	426,529
Total liabilities		**1,081,936**	981,405	966,610	**462,810**	427,172
Total equity and liabilities		**1,582,188**	1,490,707	1,462,104	**702,496**	649,485

* $286.1 million (31 December 2017: $247.3 million) relates to the Group's pre-sold development properties as at 30 September 2018.

Notes to the statement of financial position for the Group and the Company:

B.1 The increase in property, plant and equipment as at 30 September 2018 was mainly due to development costs for the hotel/resort under retrofitting/construction in Maldives and Chalong.

B.2 At Company level, investment in subsidiaries increased mainly due to long-term equity loans to subsidiaries for acquisition of new properties in Australia in 1Q2018.

B.3 Investment in associates decreased mainly due to dividend declared and repayment of shareholder loans from associate companies.

Amounts due from associates increased mainly due to long-term loans to newly incorporated associates for land acquisitions.

B.4 Available-for-sale financial assets were valued at $1.9 million as at 30 September 2018, comprising equity securities listed on the Singapore Exchange.

B.5 Development properties for sale as at 30 September 2018 comprises of properties for sale under development ($719.8 million) and developed properties for sale ($3.0 million). The increase in properties for sale under development was mainly due to completion of purchase of development sites at Dunearn Court, Derby Court, Lorong Kismis and Melbourne House. The increase was partially offset by progress billings from The Navian, Harbour View Gardens and 120 Grange.

B.6 Trade receivables comprised mainly progress payments receivable from purchasers and unbilled revenues for the projects which obtained TOP.

B.7 The Group's other receivables comprised mainly deposits, prepayments and other receivables. The decrease was mainly due to refund of security deposit held for sale of 59 Goulbourn Street in 2Q2018. The decrease is also due the transfer of deposits paid for Dunearn Court, Derby Court and Melbourne House to properties for sale under development following the completion of purchase in 1Q2018.

At Company level, other receivables comprised mainly the amounts due from subsidiaries, deposits, prepayments and other receivables. The increase was mainly due to loans extended to subsidiaries.

B.8 Trade and other payables comprised mainly of progress claims from contractors, related retention sums held, accruals for construction costs for completed projects, accruals for unbilled contractor progress claims and provision for staff and directors' bonuses. The increase was mainly due to contribution from non-controlling shareholder for acquisition of development site at Lorong Kismis.

At Company level, trade and other payables comprised mainly amounts due to subsidiaries, accrued staff and directors' bonuses and other expenses. The increase was mainly due to loans received from subsidiaries.

B.9 Deferred tax liability decreased mainly due to transfer from deferred tax provision to current taxation for projects completed in prior years as a result of billing of previously unbilled revenue in 2018. Current provision for taxation decreased mainly due to tax instalment payments during the period.

B.10 The Group's total borrowings amounted to $979.2 million, with $204.3 million repayable within one year and $774.9 million repayable after one year (refer to page 9, table 1(b)(ii)). The increase in total borrowings was mainly due to the completion of purchase mentioned in B.5.

At the Company level, total borrowings amounted to $58.7 million, all repayable within one year. The increase was mainly due to drawdown of working capital loans.

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

	30 September 2018			31 December 2017		
	Secured	**Unsecured**	**Total**	Secured	Unsecured	Total
	S$'000	**S$'000**	**S$'000**	S$'000	S$'000	S$'000
Non-current						
- Amounts repayable after one year	**317,699**	**-**	**317,699**	318,090	-	318,090
Current						
- Amounts repayable in one year or less, or on demand	**204,288** (i) (ii)	**-**	**204,288**	262,417	40,500 (iii)	302,917
- Amounts repayable after one year but within the normal operating cycle of the Property Development segment	**457,214**	**-**	**457,214**	250,839	-	250,839
	661,502	**-**	**661,502**	513,256	40,500	553,756
	979,201	**-**	**979,201**	831,346	40,500	871,846

Details of collaterals

Borrowings are secured by:

a) Land and buildings;
b) Guarantee by the Company;
c) Development properties for sale;
d) Proceeds from sales of properties under development;
e) Investment properties;
f) Rental income from investment properties; and
g) Fixed deposits

i. $42.0 million relates to our sold development project properties and is expected to be repaid by 30 September 2019 upon obtaining TOP and collections from buyers of the properties.

   $72.6 million relates to revolving loans for Grand Mercure Roxy Hotel, Singapore.

ii. $58.7 million loans is secured by fixed deposits.

iii. $40.5 million included within 2017 current borrowings represents a held-to-maturity multi-currency note ("MTN Notes"), which is unsecured and fully repaid on 20 July 2018.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	Third quarter ended 30 September		Nine month ended 30 September	
		2018	2017	**2018**	**2017**
		S$'000	S$'000 (Restated)	**S$'000**	S$'000 (Restated)
Cash Flows from Operating Activities					
Profit before taxation		**5,036**	3,486	**21,832**	38,203
Adjustments for:					
Depreciation of property, plant and equipment		**1,487**	507	**4,629**	4,051
Amortisation of intangible assets		**46**	4	**136**	13
Dividend income from available-for-sale financial assets		**(37)**	(21)	**(94)**	(62)
Share of results of associates		**(2,779)**	(603)	**(14,304)**	(8,008)
Provision for doubtful debt		**-**	**-**	**-**	23
Impairment of investment in associate		-	-	**-**	5,197
Interest income		**(464)**	(239)	**(1,459)**	(1,693)
Interest expense on bank borrowings		**2,428**	3,109	**8,944**	10,747
Net fair value gain on investment properties		**-**	-	**(3,471)**	(24,047)
Fair value loss / (gain) on cross currency interest rate swap		-	11	**-**	(666)
Net foreign exchange loss / (gain) (unrealised)		**377**	(50)	**1,199**	(776)
Operating profit before working capital changes		**6,094**	6,204	**17,412**	22,982
Changes in properties for sale under development		**(119,051)**	(27,202)	**(182,102)**	39,606
Changes in developed properties for sale		**(3,005)**	2,984	**1,309**	(1,494)
Changes in inventories		**(101)**	(11)	**(217)**	(182)
Changes in operating receivables		**85,549**	27,197	**45,866**	11,942
Changes in operating payables		**840**	(11,897)	**(19,863)**	(22,329)
Cash (used in) / generated from operations		**(29,674)**	(2,725)	**(137,595)**	50,525
Net income tax paid		**(11,575)**	(1,087)	**(19,662)**	(2,304)
Cash (used in) / generated from operating activities	C.1	**(41,249)**	(3,812)	**(157,257)**	48,221
Cash Flows from Investing Activities					
Acquisition of property, plant and equipment	C.2	**(8,370)**	(6,575)	**(14,945)**	(11,803)
Investment in associates	C.3	**(4,522)**	-	**(19,148)**	-
Dividend received from available-for-sale financial assets		**37**	21	**94**	62
Dividend received from investment in associates		**20,168**	1,225	**41,238**	2,035
Loan and advance to associates	C.4	**(10,173)**	(1,237)	**(17,298)**	(587)
Repayment from associates		**22,657**	-	**24,436**	-
Investment in shares		-	(534)	**-**	(534)
Addition of intangible assets		**(5)**	-	**(5)**	-
Interest received		**444**	366	**1,830**	3,171
Cash generated from / (used in) investing activities		**20,236**	(6,734)	**16,202**	(7,656)
Cash Flows from Financing Activities					
Proceeds from borrowings		**122,455**	67,729	**308,666**	152,202
Repayment of borrowings		**(132,306)**	(69,428)	**(196,776)**	(192,569)
Discharge of fixed deposit pledged to banks and financial institutions		**-**	-	**6,000**	-
Interest paid		**(4,995)**	(4,756)	**(18,870)**	(16,526)
Share buy-back		**(840)**	-	**(2,764)**	(9)
Dividend paid to non-controlling shareholders		**(560)**	-	**(1,170)**	(250)
Dividend paid		**(2,548)**	(2,551)	**(11,724)**	(16,429)
Proceeds from share issued to non-controlling interest		**800**	200	**800**	200
Cash (used in) / generated from financing activities	C.5	**(17,994)**	(8,806)	**84,162**	(73,381)

		Third quarter ended 30 September		Nine month ended 30 September	
		2018	2017	**2018**	2017
		S$'000	S$'000 (Restated)	**S$'000**	S$'000 (Restated)
Net decrease in cash and cash equivalents		**(39,007)**	(19,352)	**(56,893)**	(32,816)
Cash and cash equivalents at beginning of period		**215,159**	223,868	**234,295**	237,280
Effects of foreign currency translation		**(688)**	206	**(1,938)**	258
Cash and cash equivalents at end of period		**175,464**	204,722	**175,464**	204,722
Analysis of cash and cash equivalents:-					
Project accounts	C.6	**17,230**	14,377	**17,230**	14,377
Fixed deposits in project accounts		**26,000**	48,500	**26,000**	48,500
Fixed deposits		**109,869**	130,998	**109,869**	130,998
Cash at bank		**104,535**	98,892	**104,535**	98,892
Total cash and bank balances		**257,634**	292,767	**257,634**	292,767
Less: Fixed deposits pledged to banks and financial institutions		**(82,170)**	(88,045)	**(82,170)**	(88,045)
		175,464	204,722	**175,464**	204,722

Notes to the consolidated statement of cash flows:

C.1 The net cash outflows from operating activities of $157.3 million in 9M2018 as compared to net cash inflows of $48.2 million in 9M2017 was mainly due to acquisition of new development sites in 9M2018.

C.2 The acquisition of property, plant and equipment was mainly related to the development costs for the hotel/resort under retrofitting/construction in Maldives and Chalong.

C.3 The investment in associates in 9M2018 was mainly quasi loans granted for the acquisition of St Kilda office building.

C.4 Loans and advance to associates in 9M2018 and 3Q2018 was mainly long term loans to associate companies in Singapore.

C.5 The net cash inflows from financing activities of $84.2 million in 9M2018 were mainly due to proceeds from borrowings for the acquisition of new development sites in Singapore and Australia. This was partially offset by repayment of borrowings for completed projects.

C.6 Project accounts consist of monies held under the Housing Developers (Project Account) Rules 1997. Withdrawals are restricted for payments for development expenditure incurred on properties for sale under development.

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital S$'000	Treasury shares S$'000	Fair value reserve S$'000	Revaluation reserve S$'000	Translation reserve S$'000	Retained earnings S$'000	Equity attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total S$'000
Balance at 1 January 2018									
As previously reported	47,399	(564)	312	533	(4,527)	459,512	502,665	5,071	507,736
Effect of adopting SFRS(I) 15	-	-	-	-	10	1,556	1,566	-	1,566
Balance at 1 January 2018, as restated	47,399	(564)	312	533	(4,517)	461,068	504,231	5,071	509,302
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	13,560	13,560	155	13,715
Comprehensive income for the period	-	-	-	-	-	13,560	13,560	155	13,715
Other comprehensive income									
Net change in fair value of available-for-sale financial assets	-	-	(126)	-	-	-	(126)	-	(126)
Tax on other comprehensive income	-	-	21	-	-	-	21	-	21
Foreign currency translation differences	-	-	-	-	(6,654)	-	(6,654)	3	(6,651)
Total other comprehensive income for the period	-	-	(105)	-	(6,654)	-	(6,759)	3	(6,756)
Total comprehensive income for the period	-	-	(105)	-	(6,654)	13,560	6,801	158	6,959
Transactions with owners, recoginsed directly in equity									
Contributions by and distributions to owners									
Share buy-back	-	(1,924)	-	-	-	-	(1,924)	-	(1,924)
Dividend paid	-	-	-	-	-	(9,176)	(9,176)	(610)	(9,786)
Total transactions with owners	-	(1,924)	-	-	-	(9,176)	(11,100)	(610)	(11,710)
Balance at 30 June 2018	47,399	(2,488)	207	533	(11,171)	465,452	499,932	4,619	504,551
Profit for the period	-	-	-	-	-	**4,381**	**4,381**	**(204)**	**4,177**
Comprehensive income for the period	-	-	-	-	-	**4,381**	**4,381**	**(204)**	**4,177**
Other comprehensive income									
Net change in fair value of available-for-sale financial assets	-	-	**(209)**	-	-	-	**(209)**	-	**(209)**
Tax on other comprehensive income	-	-	**36**	-	-	-	**36**	-	**36**
Translation Reserve	-	-	-	-	-	-	-		-
Foreign currency translation differences	-	-	-	-	**(5,155)**	-	**(5,155)**	-	**(5,155)**
Total other comprehensive income for the period	-	-	**(173)**	-	**(5,155)**	-	**(5,328)**	-	**(5,328)**
Total comprehensive income for the period	-	-	**(173)**	-	**(5,155)**	**4,381**	**(947)**	**(204)**	**(1,151)**
Transactions with owners, recoginsed directly in equity									
Contributions by and distributions to owners									
Share buy-back	-	**(840)**	-	-	-	-	**(840)**	-	**(840)**
Issue of share to non-controlling interests	-	-	-	-	-	-	-	**800**	**800**
Dividend paid	-	-	-	-	-	**(2,548)**	**(2,548)**	**(560)**	**(3,108)**
Total transactions with owners	-	**(840)**	-	-	-	**(2,548)**	**(3,388)**	**240**	**(3,148)**
Balance at 30 September 2018	**47,399**	**(3,328)**	**34**	**533**	**(16,326)**	**467,285**	**495,597**	**4,655**	**500,252**

Group	Share capital S$'000	Treasury Shares S$'000	Fair value reserve S$'000	Translation reserve S$'000	Retained earnings S$'000	Equity attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total S$'000
Balance at 1 January 2017								
As prevously reported	47,399	(555)	50	(2,149)	446,518	491,263	3,745	495,008
Effect of adopting SFRS(I) 15	-	-	-	3	483	486	-	486
Balance at 1 January 2017, as restated	47,399	(555)	50	(2,146)	447,001	491,749	3,745	495,494
Total comprehensive income for the period								
Profit for the period	-	-	-	-	20,763	20,763	980	21,743
Comprehensive income for the period	-	-	-	-	20,763	20,763	980	21,743
Other comprehensive income								
Net change in fair value of available-for-sale financial assets	-	-	75	-	-	75	-	75
Tax on other comprehensive income	-	-	(12)	-	-	(12)	-	(12)
Foreign currency translation differences	-	-	-	5,099	-	5,099	(251)	4,848
Total other comprehensive income for the period	-	-	63	5,099	-	5,162	(251)	4,911
Total comprehensive income for the period	-	-	63	5,099	20,763	25,925	729	26,654
Transaction with owners, recognised directly in equity								
Contributions by and distributions to owners								
Share buy-back	-	(9)	-	-	-	(9)	-	(9)
Dividend paid	-	-	-	-	(13,878)	(13,878)	-	(13,878)
Total transactions with owners	-	(9)	-	-	(13,878)	(13,887)	-	(13,887)
Balance at 30 June 2017	47,399	(564)	113	2,953	453,886	503,787	4,474	508,261
Profit for the period	-	-	-	-	1,595	1,595	788	2,383
Comprehensive income for the period	-	-	-	-	1,595	1,595	788	2,383
Other comprehensive income								
Net change in fair value of available-for-sale financial assets	-	-	533	-	-	533	-	533
Net change in fair value of available-for-sale financial assets transferred to profit and loss accout	-	-	86	-	-	86	-	86
Tax on other comprehensive income	-	-	(15)	-	-	(15)	-	(15)
Foreign currency translation differences	-	-	-	792	-	792	250	1,042
Total other comprehensive income for the period	-	-	604	792	-	1,396	250	1,646
Total comprehensive income for the period	-	-	604	792	1,595	2,991	1,038	4,029
Transaction with owners, recognised directly in equity								
Contributions by and distributions to owners								
Issue of share to non-controlling interests	-	-	-	-	-	-	200	200
Dividend paid	-	-	-	-	(2,551)	(2,551)	(250)	(2,801)
Total transactions with owners	-	-	-	-	(2,551)	(2,551)	(50)	(2,601)
Balance at 30 September 2017	47,399	(564)	717	3,745	452,930	504,227	5,462	509,689

Company	Share capital S$'000	Treasury shares S$'000	Fair value reserve S$'000	Translation reserve S$'000	Retained earnings S$'000	Total S$'000
Balance at 1 January 2018	47,399	(564)	138	768	174,572	222,313
Total comprehensive income for the period						
Profit for the period	-	-	-	-	21,081	21,081
Comprehensive income for the period	-	-	-	-	21,081	21,081
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	-	-	(36)	-	-	(36)
Tax on other comprehensive income	-	-	6	-	-	6
Foreign currency translation difference	-	-	-	(2,613)	-	(2,613)
Total other comprehensive income for the period	-	-	(30)	(2,613)	-	(2,643)
Total comprehensive income for the period	-	-	(30)	(2,613)	21,081	18,438
Transaction with owners, recognised directly in equity						
Contributions by and distributions to owners						
Share buy-back	-	(1,924)	-	-	-	(1,924)
Dividend paid	-	-	-	-	(9,176)	(9,176)
Total transactions with owners	-	(1,924)	-	-	(9,176)	(11,100)
Balance at 30 June 2018	47,399	(2,488)	108	(1,845)	186,477	229,651
Profit for the period	**-**	**-**	**-**	**-**	**16,003**	**16,003**
Comprehensive income for the period	**-**	**-**	**-**	**-**	**16,003**	**16,003**
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	**-**	**-**	**(224)**	**-**	**-**	**(224)**
Tax on other comprehensive income	**-**	**-**	**38**	**-**	**-**	**38**
Foreign currency translation difference	**-**	**-**	**-**	**(2,394)**	**-**	**(2,394)**
Total other comprehensive income for the period	**-**	**-**	**(186)**	**(2,394)**	**-**	**(2,580)**
Total comprehensive income for the period	**-**	**-**	**(186)**	**(2,394)**	**16,003**	**13,423**
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Share buy-back	**-**	**(840)**	**-**	**-**	**-**	**(840)**
Dividend paid	**-**	**-**	**-**	**-**	**(2,548)**	**(2,548)**
Total transactions with owners	**-**	**(840)**	**-**	**-**	**(2,548)**	**(3,388)**
Balance at 30 September 2018	**47,399**	**(3,328)**	**(78)**	**(4,239)**	**199,932**	**239,686**

Company	Share capital S$'000	Treasury shares S$'000	Fair value reserve S$'000	Translation reserve S$'000	Retained earnings S$'000	Total S$'000
Balance at 1 January 2017	47,399	(555)	-	4,187	68,392	119,423
Total comprehensive income for the period						
Profit for the period	-	-	-	-	26,851	26,851
Comprehensive income for the period	-	-	-	-	26,851	26,851
Other comprehensive income						
Foreign currency translation difference	-	-		1,615	-	1,615
Total other comprehensive income for the period	-	-	-	1,615	-	1,615
Total comprehensive income for the period	-	-	-	1,615	26,851	28,466
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Share buy-back	-	(9)	-	-	-	(9)
Dividend paid	-	-	-	-	(13,878)	(13,878)
Total transactions with owners	-	(9)	-	-	(13,878)	(13,887)
Balance at 30 June 2017	47,399	(564)	-	5,802	81,365	134,002
Profit for the period	-	-	-	-	53,607	53,607
Comprehensive income for the period	-	-	-	-	53,607	53,607
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	-	-	86	-	-	86
Tax on other comprehensive income	-	-	(14)	-	-	(14)
Foreign currency translation differences	-	-	-	572	-	572
Total other comprehensive income for the period	-	-	72	572	-	644
Total comprehensive income for the period	-	-	72	572	53,607	54,251
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Dividend paid	-	-	-	-	(2,550)	(2,550)
Total transactions with owners	-	-	-	-	(2,550)	(2,550)
Balance at 30 September 2017	47,399	(564)	72	6,374	132,422	185,703

1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Ordinary share capital and Treasury shares

Movement in the Company's treasury shares during the three months ended 30 September 2018 are as follows:

	30 September 2018 No. of Shares	30 September 2017 No. of Shares
Treasury shares:		
As at beginning of period	**5,323,900**	1,326,500
Purchase of treasury shares	**1,958,500**	-
As at end of period	**7,282,400**	1,326,500

1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30 September 2018	31 December 2017
Issued, fully paid share capital:		
Balance number of shares as at the beginning of period	**1,192,223,494**	1,192,243,494
Purchase of treasury shares	**(5,610,400)**	(20,000)
Bonus issue	**119,354,850**	-
Bonus issue on treasury shares	**(345,500)**	-
Total number of shares as at the end of period net of treasury shares	**1,305,622,444**	1,192,223,494

On 24 April 2018, 119,354,850 bonus shares were allotted and issued pursuant to the bonus issue at one bonus share for every ten existing ordinary shares ("bonus issue").

1(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

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

The figures have not been audited nor reviewed by the Company's auditors.

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has followed accounting policies and applied methods of computations consistent with the audited financial statements as at 31 December 2017.

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

The Group has adopted the Singapore Financial Reporting Standards (International) ("SFRS(I)") that are effective for annual periods beginning on or after 1 January 2018.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group will also concurrently apply SFRS(I) 15 *Revenue from Contracts with Customer*. There is no material impact on the financial statements in adopting SFRS(I) and applying specific transition requirement under SFRS(I) 1 except for the effects of the adoption of SFRS(I)15, which are discussed below.

SFRS(I) 15 Revenue from Contracts with Customers

(a) Sale of mixed development properties – timing of revenue recognition

Prior to 1 January 2018, the Group recognises revenue from its Malaysia's project, Wisma Infinitum, held by its associate company, using the Completion of Contracts method. With the adoption of SFRS(I) 15, the performance obligation for the sale of the mixed development properties are satisfied over time as the Group is restricted contractually from directing the property for another use as they are being developed and has an enforceable right to payment for performance completed to date. Revenue and cost of units sold is now recognised over time in line with the progress of construction works.

The Group has applied the changes in accounting policies retrospectively to each reporting period/year presented, using the full retrospective approach.

The following reconciliations summarise the impacts on initial application of SFRS(I) 1 and SFRS(I) 15 on the Group's financial statements.

SFRS(I) 15 Revenue from Contracts with Customers (Cont'd)

Consolidated Income Statements

	Third quarter ended 30 September 2017			Nine months ended 30 September 2017		
	As previously reported $'000	Effects $'000	Restated $'000	As previously reported $'000	Effects $'000	Restated $'000
Revenue	60,251		60,251	203,493		203,493
Cost of sales	(42,711)		(42,711)	(155,877)		(155,877)
Gross profit	17,540		17,540	47,616		47,616
Other operating income	985		985	29,301		29,301
Distribution and selling expenses	(1,492)		(1,492)	(3,374)		(3,374)
Administrative expenses	(4,112)		(4,112)	(8,280)		(8,280)
Other operating expenses	(6,825)		(6,825)	(24,104)		(24,104)
Finance costs	(3,213)		(3,213)	(10,964)		(10,964)
Share of results of associates (net of income tax)	507	96	603	7,799	209	8,008
Profit before taxation	3,390	96	3,486	37,994	209	38,203
Taxation	(1,103)		(1,103)	(14,077)		(14,077)
Profit after taxation	2,287	96	2,383	23,917	209	24,126
Attributable to:						
Equity holders of the Company	1,499	96	1,595	22,149	209	22,358
Non-controlling interests	788		788	1,768		1,768
	2,287	96	2,383	23,917	209	24,126
Earnings per ordinary share (cents)						
- basic	0.11	0.01	0.12	1.69	0.02	1.71
- diluted	0.11	0.01	0.12	1.69	0.02	1.71

SFRS(I) 15 Revenue from Contracts with Customers (Cont'd)

Statement of Financial Position

	As at 1 January 2017			As at 31 December 2017		
	As previously reported $'000	Effects $'000	Restated $'000	As previously reported $'000	Effects $'000	Restated $'000
ASSETS						
Non-Current						
Property, plant and equipment	175,527		175,527	215,507		215,507
Investment in associates	146,458	486	146,943	163,309	1,566	164,875
Investment properties	198,835		198,835	124,191		124,191
Available-for-sale financial assets	1,425		1,425	2,275		2,275
Intangible assets	68		68	541		541
Amounts due from associates	11,264		11,264	34,876		34,876
	533,577		534,063	540,699		542,265
Current						
Development properties for sale	486,369		486,369	540,584		540,584
Inventories	784		784	1,065		1,065
Trade receivables	93,145		93,145	53,279		53,279
Other receivables	22,418		22,418	31,054		31,054
Cash and bank balances	325,325		325,325	322,460		322,460
	928,041		928,041	948,442		948,442
Total assets	1,461,618		1,462,104	1,489,141		1,490,707
EQUITY AND LIABILITIES						
Capital and Reserves						
Share capital	47,399		47,399	47,399		47,399
Treasury shares	(555)		(555)	(564)		(564)
Fair value reserve	50		50	845		845
Translation reserve	(2,149)	3	(2,146)	(4,527)	10	(4,517)
Retained earnings	446,518	483	447,001	459,512	1,556	461,068
Equity attributable to owners of the Company	491,263		491,749	502,665		504,231
Non-controlling interests	3,745		3,745	5,071		5,071
	495,008		495,494	507,736		509,302
Liabilities						
Non-Current						
Bank borrowings	270,549		270,549	318,090		318,090
Deferred tax liabilities	33,094		33,094	16,475		16,475
	303,643		303,643	334,565		334,565
Current						
Trade and other payables	98,715		98,715	62,211		62,211
Provision for taxation	2,104		2,104	30,873		30,873
Bank borrowings	562,148		562,148	553,756		553,756
	662,967		662,967	646,840		646,840
Total liabilities	966,610		966,610	981,405		981,405
Total equity and liabilities	1,461,618		1,462,104	1,489,141		1,490,707

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

Earnings per share for the financial period	Third quarter ended 30 September		Nine month ended 30 September	
	2018	**2017**	**2018**	**2017**
		*(as restated)		*(as restated)
(a) Based on the weighted average number of ordinary shares on issue (cents)	**0.33**	0.12	**1.37**	1.71
(b) On fully diluted basis (cents)	**0.33**	0.12	**1.37**	1.71
Profit attributable to shareholders of the Company ($'000)	**4,381**	1,595	**17,939**	22,358
Weighted average number of shares ('000)	**1,308,810**	1,311,233	**1,308,810**	1,311,233

* Comparatives for earnings per share have been restated for bonus issue of shares.

7. Net asset 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

	Group		Company	
	30-Sep-18	**31-Dec-17** (restated)	**30-Sep-18**	**31-Dec-17**
Net asset value per ordinary shares based on total issued 1,305,622,444 ordinary shares (cents) (2017: 1,192,223,494 ordinary shares (cents))	**37.96**	42.29	**18.36**	18.65

The Group adopts the cost model under *FRS16 Property, Plant and Equipment*, and measures its property, plant and equipment at cost less depreciation and impairment loss. If it had applied the fair value model under FRS16, a revaluation surplus would arise as a result of the excess of the fair value of its hotel properties (includes Grand Mercure Roxy Hotel in Singapore, Noku Kyoto Hotel in Kyoto, Japan, Osaka Hotel in Osaka, Japan, hotel property in Phuket, Thailand and resorts property in Maldives) and own use premises, over their carrying amounts. As at 30 September 2018, our directors estimated that the fair value of these properties to be $682.5 million (31 December 2017: $682.4 million) based on valuation carried out by independent valuers on 31 December 2017, using the investment and direct comparison methods. The revaluation surplus is estimated to be approximately $489.2 million (31 December 2017: $490.3 million). Had this revaluation surplus been recorded, the Group's adjusted net asset value ("ANAV") per share would have been as follows:

	Group	
	30-Sep-18	**31-Dec-17** (restated)
ANAV per ordinary share based on total issued 1,305,622,444 ordinary shares (cents) (2017: 1,192,223,494 ordinary shares (cents))	**75.43**	83.42

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
(a) 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; and

Review of Group Performance
(i) Operating Segments

GROUP	Third quarter ended 30-September 2018 S$'000		2017 S$'000 (Restated)		Change Increase/ (Decrease) %	Nine months ended 30-September 2018 S$'000		2017 S$'000 (Restated)		Change Increase/ (Decrease %
REVENUE										
Property Development	**4,835**	26%	46,493	77%	-90%	**58,848**	58%	162,016	80%	-64%
Hotel Ownership	**12,035**	64%	10,897	18%	10%	**37,220**	36%	32,283	15%	15%
Property Investment	**1,898**	10%	2,861	5%	-34%	**5,959**	6%	9,194	5%	-35%
	18,768	100%	60,251	100%	-69%	**102,027**	100%	203,493	100%	-50%
GROSS PROFIT										
Property Development	**3,407**	32%	9,751	56%	-65%	**13,765**	38%	23,729	50%	-42%
Hotel Ownership	**5,820**	53%	5,799	33%	0.4%	**18,789**	51%	17,428	36%	8%
Property Investment	**1,462**	14%	1,989	11%	-26%	**4,085**	11%	6,461	14%	-37%
	10,689	100%	17,540	100%	-39%	**36,639**	100%	47,616	100%	-23%
GROSS PROFIT MARGIN (%)										
Property Development	**70%**		21%		49 ppt	**23%**		15%		8 ppt
Hotel Ownership	**48%**		53%		-5 ppt	**50%**		54%		-4 ppt
Property Investment	**77%**		70%		7 ppt	**69%**		70%		-2 ppt
Total	**57%**		29%		28 ppt	**36%**		23%		13 ppt
ADJUSTED EBITDA										
Property Development	**2,831**	28%	8,504	82%	-67%	**8,781**	23%	23,983	39%	-63%
Hotel Ownership	**2,831**	28%	1,615	16%	75%	**8,160**	21%	5,690	9%	43%
Property Investment - Rental income	**1,447**	14%	(134)	-1%	n/m	**3,354**	9%	3,423	6%	-2%
Property Investment - Fair value gain	**-**	0%	(0)	0%	-	**3,471**	9%	24,047	39%	-86%
Property Investment - Share of result of associates	**3,015**	30%	325	3%	n/m	**14,473**	38%	3,879	6%	273%
	10,124	100%	10,310	100%	-2%	**38,239**	100%	61,021	100%	-37%
PROFIT BEFORE TAX										
Adjusted EBITDA	**10,124**		10,310		-2%	**38,239**		61,021		-37%
Corporate expenses	**(1,260)**		(3,485)		-64%	**(3,094)**		(5,959)		-48%
Depreciation of property, plant and equipment	**(1,487)**		(507)		193%	**(4,629)**		(4,051)		14%
Impairment of long-term loan to associate	**-**		-		-	**-**		(5,197)		n/m
Net interest expense	**(1,964)**		(2,870)		-32%	**(7,485)**		(9,054)		-17%
Net unrealised foreign exchange gain / (loss)	**(377)**		50		n/m	**(1,199)**		776		n/m
Fair value gain / (loss) on cross currency interest rate swap	**-**		(11)		-100%	**-**		666		-100%
	5,036		3,486		44%	**21,832**		38,203		-43%

n/m: not meaningful

(ii) Geographical segments

	Singapore	Australia	Japan	Thailand	Malaysia	Hong Kong	Indonesia	Maldives	New Zealand	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue										
Third quarter ended										
30 September 2018	**14,763**	-	**1,932**	-	-	-	-	**515**	**1,558**	**18,768**
30 September 2017	56,711	2,438	993	-	-	-	-	109	-	60,251
Nine months ended										
30 September 2018	**88,626**	-	**6,823**	-	-	-	-	**1,747**	**4,832**	**102,027**
30 September 2017	192,007	7,945	3,190	-	-	-	-	351	-	203,493
Non-current assets										
As at 30 September 2018	**176,319**	**89,685**	**70,947**	**34,009**	**21,380**	**26,559**	**3,646**	**55,367**	**63,724**	**541,635**
As at 31 December 2017	180,050	107,199	70,313	24,391	21,095	26,011	3,914	49,430	59,862	542,265
Total assets										
As at 30 September 2018	**904,748**	**387,764**	**75,181**	**38,142**	**21,380**	**26,560**	**3,648**	**57,512**	**67,253**	**1,582,188**
As at 31 December 2017	914,987	309,063	75,191	27,741	21,095	26,012	3,916	51,539	61,163	1,490,707

Revenue and gross profit analysis

(i) Revenue

The Group achieved revenue of $102.0 million in 9M2018, 50% lower than $203.5 million in 9M2017. For 3Q2018, the Group achieved revenue of $18.8 million, 69% lower than $60.3 million in 3Q2017. This was mainly due to lower revenue from the Property Development and Property Investment segments, partially offset by higher revenue from Hotel Ownership segment.

(a) Property Development

Revenue from the Property Development segment, which made up 58% of the Group's turnover in 9M2018, decreased 64% to $58.8 million in 9M2018 from $162.0 million in 9M2017. For 3Q2018, revenue from Property Development segment made up 26% of Group's turnover, decreased 90% to $4.8 million in 3Q2018 from $46.5 million in 3Q2017. The decrease was largely due to lower revenue recognition from Trilive, which obtained its TOP in June 2018 and absence of revenue recognition from Jade Residences, Whitehaven and LIV on Wilkie following the completion of these projects in 2017. The decrease was partially offset by higher revenue recognition on construction progress and sales of The Navian and Straits Mansions. Although the Group has made good progress in the sales and construction of its projects in Australia, unlike in Singapore and Malaysia, it cannot progressively recognise the revenue as the completed contract method in accounting is adopted for these projects.

(b) Hotel Ownership and Property Investment

The Hotel Ownership segment, which contributed 36% to the Group's turnover in 9M2018, registered $37.2 million in revenue as compared to $32.3 million in 9M2017. For 3Q2018, Hotel Ownership segment contributed 64% to the Group's turnover, registered $12.0 million in revenue as compared to $10.9 million in 3Q2017. The increase was mainly due to contribution from Noku Osaka which was acquired in October 2017 and higher revenue from Noku Maldives after its full operation in August 2018.

Revenue from the Property Investment segment constituted the balance of 6% of the Group's turnover and contributed $6.0 million in 9M2018 as compared to $9.2 million in 9M2017. For 3Q2018, revenue from Property Investment segment contributed $1.9 million as compared to $2.9 million in 3Q2017. The decrease was mainly due to the sale of 59 Goulburn Street in October 2017, partially offset by revenue generated from NZI Centre which was acquired in December 2017.

(ii) Cost of sales and gross profit

In line with the decrease in revenue, cost of sales decreased by 58% to $65.4 million in 9M2018 from $155.9 million in 9M2017. In 3Q2018, cost of sales decreased by 81% to $8.1 million from $42.7 million in 3Q2017.

Gross profit from the Property Development segment contributed $13.8 million or 38% of the Group's total gross profit in 9M2018, while the remaining 62% or $22.9 million was contributed by the Hotel Ownership and Property Investment segments. Gross profit margin from the Property Development segment was 23% in 9M2018, as compared to 15% in 9M2017 mainly due to higher profit margin from Straits Mansions and The Navian. The gross profit margin of the Hotel Ownership segment decreased 4 percentage points to 50% in 9M2018 mainly due to lower RevPar from GMRH.

In 3Q2018, gross profit from the Property Development segment contributed $3.4 million or 32% of the Group's total gross profit, with the remaining 68% or $7.3 million contributed by the Hotel Ownership and Property Investment segments. Gross profit margin from the Property Development segment was 70% in 3Q2018, as compared to 21% in 3Q2017 mainly due to higher profit margin from Straits Mansions, The Navian and adjustment of over-provision of projects cost. Excluding the adjustment for over-provision of project cost and annulled unit, gross profit margin in 3Q2018 was 29%. The gross profit margin of the Hotel Ownership segment decreased 5 percentage points to 48% in 3Q2018 as compared to 53% in 3Q2017 mainly due to lower RevPar from Noku Osaka in 3Q2018 due to cancellation of room reservation due to the Typhoon. Gross profit margin of the Property Investment segment increased 7 percentage points to 77% in 3Q2018 from 70% in 3Q2017 due to adjustment of 2017 cost on 59 Goulburn Street in 3Q2018.

The Group's overall gross profit margin in 9M2018 was 36%, higher than the 23% recorded in 9M2017 mainly due to higher contribution from Hotel Ownership segment which has a higher profit margin. For 3Q2018, the Group's overall gross profit margin was 57%, compared with 29% in 3Q2017.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
(b). any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Please refer to explanatory notes to the statement of financial position of the Group and the Company on page 7-8 and explanatory notes to the consolidated statement of cash flows on page 10-11.

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

The Group's performance for the period under review is in line with expectations disclosed in the announcement of results for the second quarter ended 30 June 2018.

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 known factors or events that may affect the group in the next reporting period and the next 12 months.

Advance estimates from the Ministry of Trade and Industry showed that Singapore's economy grew by 2.6 per cent year-on-year in the third quarter of 2018, moderating from the 4.1% growth in the previous quarter. On a quarter-on-quarter, seasonally-adjusted annualised basis, the economy expanded by 4.7%, faster than the 1.2% growth in the preceding quarter.[1]

In Australia, the economy expanded 0.9% quarter-on-quarter on a seasonally adjusted basis in 2Q2018, while GDP grew 3.4% year-on-year during the quarter[2], in line with the 3.25% forecast for the year ending December 2018 by the Reserve Bank of Australia[3].

Revised Cabinet office data showed Japan's economy grew an annualised 3.0% between April to June 2018, contrasting 1Q2018's revised 0.9% contraction[4].

Property Development

Singapore

Data from the Urban Redevelopment Authority ("**URA**") showed a 0.5% increase in the private residential property index in 3Q2018, compared to the 3.4% increase in 2Q2018[5]. This marks the fifth consecutive quarter of price increase and leaves the URA's overall private residential price index at just 3.2% below its last peak of 3Q2013 and 9.6% above the last trough of 2Q2017.

In September, the Singapore High Court has granted an order for the collective sale of freehold residential property, The Wilshire, in which the Group has a 40% stake. The Group will continue exercise prudence in new site acquisitions as well as closely monitor market conditions for its planned upcoming property launches.

Australia

Australia's price index for residential properties for the weighted average of eight capital cities fell 0.7% in the June quarter 2018, and was down 0.6% on a year-on-year basis[6].

Residential prices in Sydney fell 3.9% on a year-on-year basis. The Australian Bureau of Statistics said although decreased demand for homes and a tightening of lending to investors played a role in the falls, they were not significant in the bigger picture[7].

The Group's residential development projects in Sydney have sold well – The Hensley and Octavia are only left with two units and one unit for sale respectively, while West End Glebe that was launched in two phases is currently overall 85% sold.

Pre-sales for the New World Towers project in Brisbane, in which the Group has 40% stake, have been stagnant after achieving 122 units sales during the phase one launch. Given the existing weak residential market fundamentals in Brisbane, the joint venture parties are currently reviewing the various options for the 435-units project which includes delaying its subsequent launches. On prudence, the Group has not included the units pre-sold for this project in the pre-sale revenue table as disclosed in the following page.

[1] *Ministry of Trade and Industry Singapore, October 12, 2018 – Singapore's GDP Grew by 2.6 Per Cent in the Third Quarter of 2018*
[2] *Australian Bureau of Statistics, June 2018 – Australian National Accounts: National Income, Expenditure and Product, Jun 2018*
[3] *Reserve Bank of Australia, August 2018 – Statement on Monetary Policy, Table 5.1: Output Growth and Inflation Forecasts*
[4] *Economic and Social Research Institute, Sep 10, 2018 – Quarterly Estimates of GDP for April - June 2018 (Second Preliminary Estimates)*
[5] *Urban Redevelopment Authority, October 26, 2018 – URA releases real estate statistics for 3rd Quarter 2018*
[6] *Australian Bureau of Statistics, June 2018 - Residential Property Price Indexes: Eight Capital Cities*
[7] *The Guardian, September 18, 2018 – Australian house values fall by $13bn in three months as capital city prices slide*

As at 22 October 2018, based on units sold from the following ongoing development projects, the Group has total attributable pre-sale revenue of $593.0 million, the profits of which will be recognised from 4Q2018 to FY2021

	Project name	Type of development	Group stake %	Total units in project Unit	Unit sold %	Attributable total sale value [(i) (ii)] $'m	Attributable revenue recognised up to 30 September 2018 $'m	Balance attributable progress billings to be recognised from 4Q2018 $'m
	Singapore							
1	Straits Mansions	Residential	100%	25	100%	$ 48.2	$ 44.8	$ 3.4
2	The Navian [(iii)]	Residential	100%	48	88%	$ 50.1	$ 7.7	$ 42.4
3	Habour View Garden [(iv)]	Residential	100%	57	98%	$ 72.2	-	$ 72.2
4	120 Grange [(v)]	Residential	90%	56	77%	$ 70.8	-	$ 70.8
5	Bukit 828 [(vi)]	Residential	80%	34	26%	$ 9.2	-	$ 9.2
	Malaysia							
5	Wisma Infinitum - The Colony	Residential	47%	423	69%	$ 50.1	$ 14.6	$ 35.5
	Wisma Infinitum - The Luxe	Residential	47%	300[(iv)]	38%	$ 23.9	$ 6.7	$ 17.2
	Australia							
	Sydney							
6	The Hensley, Potts Point	Residential	100%	44	95%	$ 67.3	-	$ 67.3
		Shop	100%	1	100%	$ 1.1	-	$ 1.1
7	Octavia, Killara	Residential	100%	43	98%	$ 46.8	-	$ 46.8
8	West End Glebe, Tower 1 (Foundry)	Residential	100%	140	89%	$ 142.1	-	$ 142.1
	West End Glebe, Tower 2 (Art House)	Residential	100%	91[(iv)]	79%	$ 85.0	-	$ 85.0
	Total			**1,262**		**$ 666.8**	**$ 73.8**	**$ 593.0**

(i) For Singapore projects, sale value is based on Option to Purchase granted up to 22 October 2018
(ii) For overseas projects, sale value is based on contract signed up to 22 October 2018
(iii) Launched in January 2018
(iv) Launched in April 2018
(v) Launched in June 2018
(vi) Launched on 21 September 2018
(vii) Represents Block B - The Luxe by Infinitum. An additional 31 commercial units are pending launch

In addition, the Group has the following development land bank in Singapore:

	Location / Description	Proposed Development	Approximate Land Area (sqf)	Approximate Gross Floor Area (sqf)	Group's stake	Approximate Attributable Gross Floor Area (sqf)	Approximate Attributable Land Cost (SGD)
1	RV Altitude	140 units of Residential Development	28,793	80,632	100%	80,632	S$110.0m
2	Arena Residences	98 units of Residential Development	26,454	74,072	50%	37,036	S$28.3m
3	Dunearn 386	35 units of Residential Development	19,203	26,884	100%	26,884	S$36.3m
4	Fyve Derbyshire	71 units of Residential Development	18,506	53,154	100%	53,154	S$73.9m
5	15, 17 & 19 Lorong Kismis	186 units of Residential Development	100,336	140,470	60%	84,282	S$78.5m
6	22 Farrer Road	85 units of Residential Development	39,130	70,741	40%	28,296	S$39.5m
7	27 Moulmein Rise	87 units of Residential Development	22,198	65,585	50%	32,793	S$53.0m
	Total	**702 units**	**254,620**	**511,538**		**343,077**	**S$419.5m**

(1) Includes state land cost
(2) Included estimated development charge / top up lease premium

The Group currently has seven development sites in Singapore as its land bank, of which it plans to launch one development site for sale in 4Q2018 and another three development sites in 1Q2019.

In Australia, the Group has entered into an agreement to acquire a property in New South Wales, which comprises a mix of warehouse and office space; the property is located at Mavis Street in Revesby. This marks the Group's foray into Australian industrial investment, which the Group plans to develop light-industrial warehouses and self-storage units.

Hotel Ownership

Latest statistics from the Singapore Tourism Board ("**STB**") showed a 7.46% year-on-year growth in international visitor arrivals for the first eight months of 2018[8]. Hotel statistics also showed a positive growth – average occupancy rate grew 1.7% year-on-year through August, total room revenue jumped 8.8%, average room rates increased 1.8% while revenue per available room rose 3.5%[9].

Data from the STB also showed tourism receipts remained steady in the first quarter of 2018 at S$6.7 billion[10]. For 2018, STB forecasted tourism receipts to be in the range of $27.1 to $27.6 billion, an increase of 1% to 3%, while international visitor arrivals is expected to be in the range of 17.6 to 18.1 million, an increase of 1% to 4%.[11]

[8] *Singapore Tourism Board, September 28, 2018 – International Visitor Arrivals Statistics*
[9] *Singapore Tourism Board, September 28, 2018 – Hotel Statistics 2018*
[10] *Singapore Tourism Board, August 24, 2018 – Tourism Sector Performance*
[11] *Business Times, August 25, 2018 – H1 visitor arrivals to Singapore grow by more than 7 per cent*

According to the Japan National Tourism Organisation, the estimated number of international travelers to Japan in August 2018 was about 2.6 million, an increase of +4.1% from the previous year, and for the year through August, visitor arrivals were 21.3 million, which was up 12.6% from the same period a year ago[12].

The Group's flagship Grand Mercure Singapore Roxy hotel, and self-managed boutique hotels in Japan – Noku Kyoto and Noku Osaka – continue to contribute healthy recurring income while its resort in Maldives, Noku Maldives, which commenced operations in December 2017, has received warm reception since its soft opening. It has been in full operation from August 2018, while its counterpart in Phuket is targeted to open in 2019/2020.

Property Investment

In 2Q2018, overall sentiment in commercial property markets, as measured by the NAB Commercial Property Index fell 4 points to 17, but has remained above its long-term average of 3 points[13].

The National Australia Bank said, however, that confidence in office markets was little changed with the sector continuing to benefit from strong demand in key states and nascent signs of recovery in previously under-performing states. The office property market is also expected to lead the way for capital and rental growth in the next 1-2 years[13].

June 2018 was a record year for office property in New Zealand with NZ$2.7 billion worth of office buildings sold in the year[14]. Prime office space rentals in Auckland averaged NZ$478 sqm, 2.5% higher than a year before while average capital values per sqm are NZ$7,606, a 6.6% year-on-year increase[14]. According to Colliers International, positive fundamentals such as strong population, employment growth, and investment in infrastructure, coupled with positive economic performance continues to contribute to Auckland's attractiveness[14].

The sale of the Grade A commercial building at 117 Clarence Street in Sydney was completed on 17 August 2018, and has contributed positively to Roxy-Pacific's financial performance in the financial year ending December 31, 2018. The Group intends to continue to grow its presence and investment portfolio in Australia.

Outlook

Barring any unforeseen circumstances, the directors expect the Group to be profitable in the financial year ending 31 December 2018.

[12] *Japan National Tourism Organisation, October, 2018 – Japan Tourism Statistics*
[13] *Australia National Bank, July 25, 2018 – NAB Quarterly Australian Commercial Property Survey Q2 2018*
[14] *Colliers Capital Markets Investment Review 2017-18*

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not Applicable

(d) Books closure date

Not Applicable

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12. If no dividend has been declared / recommended, a statement to that effect

No dividend has been declared / recommended.

13. Interested Person Transactions

The Company does not have a shareholders' mandate for interested person transactions. There were no interested person transactions during the period ended 30 September 2018.

14. Confirmation of procurement of undertakings from all directors and executives officers

The Company confirms that it has procured the Undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

ON BEHALF OF THE BOARD

Teo Hong Lim
Chairman & CEO

Koh Seng Geok
Executive Director & Deputy CEO

31st October 2018
Singapore

Roxy-Pacific
Holdings Limited

CONFIRMATION PURSUANT TO RULE 705 (5) OF THE LISTING MANUAL

We confirm on behalf of the Board of Directors that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company for the financial period ended 30 September 2018 to be false or misleading in any material respect.

ON BEHALF OF THE BOARD

Teo Hong Lim
Chairman & CEO

Koh Seng Geok
Executive Director & Deputy CEO

31st October 2018
Singapore