



**Roxy-Pacific  
Holdings Limited**

## **ROXY-PACIFIC HOLDINGS LIMITED**

(Registration Number: 196700135Z)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND  
ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND  
ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018**

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**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND  
ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 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 | First Quarter ended<br>31 March |                 |             |
|----------------------------------------------------|------|---------------------------------|-----------------|-------------|
|                                                    |      | 2018<br>S\$'000                 | 2017<br>S\$'000 | Change<br>% |
| Revenue                                            | A.1  | <b>46,449</b>                   | 65,430          | -29%        |
| Cost of sales                                      | A.2  | <b>(32,957)</b>                 | (49,112)        | -33%        |
| Gross profit                                       | A.2  | <b>13,492</b>                   | 16,318          | -17%        |
| Other operating income                             | A.3  | <b>2,037</b>                    | 3,505           | -42%        |
| Distribution and selling expenses                  | A.4  | <b>(2,210)</b>                  | (771)           | 186%        |
| Administrative expenses                            |      | <b>(2,083)</b>                  | (2,032)         | 2%          |
| Other operating expenses                           | A.5  | <b>(5,983)</b>                  | (6,727)         | -11%        |
| Finance costs                                      | A.6  | <b>(3,181)</b>                  | (3,747)         | -15%        |
| Share of results of associates (net of income tax) | A.7  | <b>5,783</b>                    | 2,619           | 121%        |
| Profit before taxation                             |      | <b>7,855</b>                    | 9,165           | -14%        |
| Taxation                                           | A.8  | <b>(859)</b>                    | (2,852)         | -70%        |
| Profit after taxation                              |      | <b>6,996</b>                    | 6,313           | 11%         |
| Attributable to:                                   |      |                                 |                 |             |
| Equity holders of the Company                      |      | <b>7,004</b>                    | 5,908           | 19%         |
| Non-controlling interests                          | A.13 | <b>(8)</b>                      | 405             | n/m         |
|                                                    |      | <b>6,996</b>                    | 6,313           | 11%         |



**Roxy-Pacific  
Holdings Limited**

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

|                                                      |      | First quarter ended<br>31 March |                 |             |
|------------------------------------------------------|------|---------------------------------|-----------------|-------------|
|                                                      | Note | 2018<br>S\$'000                 | 2017<br>S\$'000 | Change<br>% |
| <b>after crediting:</b>                              |      |                                 |                 |             |
| Foreign exchange gain (realised)                     | A.9  | 514                             | 6               | n/m         |
| Foreign exchange gain (unrealised)                   | A.10 | 886                             | 1,197           | -26%        |
| Interest income                                      |      | 449                             | 675             | -33%        |
| Fair value gain on cross currency interest rate swap | A.11 | -                               | 1,409           | -100%       |
| <b>after charging:</b>                               |      |                                 |                 |             |
| Depreciation of property, plant and equipment        | A.5  | (1,584)                         | (1,755)         | -10%        |
| Amortisation of intangible assets                    |      | (45)                            | (4)             | n/m         |
| Directors' fees                                      |      | (38)                            | (38)            | 32%         |
| Foreign exchange loss (realised)                     |      | (7)                             | (13)            | -46%        |
| Foreign exchange loss (unrealised)                   | A.12 | (819)                           | (1,053)         | -22%        |
| Provision for doubtful debt                          |      | -                               | (12)            | -100%       |
| Interest on borrowings                               | A.6  | (3,121)                         | (3,696)         | -16%        |
| Staff costs (including directors' remuneration)      |      | (5,303)                         | (5,263)         | 1%          |

n/m: not meaningful

**Notes to Consolidated Income Statement:**

- A.1 Revenue decreased in 1Q2018 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 decreased is in line with lower revenue. Gross profit was lower mainly due to lower contribution from Property Development segment and Property Investment segments, partially offset by higher gross profit from Hotel Ownership segment. Please refer to paragraph 8(a) for a more detailed analysis.
- A.3 Other operating income decreased in 1Q2018 mainly due to absence of fair value gain on cross currency interest rate swap after its settlement in 3Q2017 and lower unrealised foreign exchange gain (Refer to explanatory note A.10). The decrease was partially offset by increased in realised foreign exchange gain in 1Q2018 (Refer to explanatory note A.9).
- A.4 Distribution and selling expenses were higher in 1Q2018 mainly due to showflats and advertisement for The Navian and the upcoming projects, 120 Grange, Harbour View Gardens, Upper Bukit Timah project and also selling expense incurred for the sale of completed units in Sunnyvale.
- A.5 Other operating expense decreased in 1Q2018 mainly due to lower depreciation and lower unrealised foreign exchange loss (Refer to explanatory note A.12).
- Depreciation expense decreased in 1Q2018 mainly 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.6 In 1Q2018, finance cost decreased mainly due to repayment of AUD bank loans and partial redemption of MTN Series 1 Note. This was partially offset by loan drawdown for the acquisition of a hotel in Osaka and investment property in New Zealand.
- A.7 Share of results of associates increased in 1Q2018 mainly due to fair value gain from 117 Clarence Street, Australia, partially offset by stamp duty incurred for the acquisition of office building at St Kilda Road, as well as additional tax provision for an associate. The Group's associate company has entered into a Heads of Agreement to sell 117 Clarence Street. The sale is subject to due diligence exercise to be carried by the purchaser.
- A.8 The effective tax rate is 11% in 1Q2018 mainly due to higher share of results of associates.
- A.9 In 1Q2018, foreign exchange gain (realised) arose mainly due to conversion of AUD fixed deposit into SGD on its maturity.
- A.10 In 1Q2018, foreign exchange gain (unrealised) arose mainly from appreciation of JPY from advances made to subsidiaries and depreciation of HKD payable against SGD. 1Q2017 exchange gain (unrealised) arose mainly from depreciation of HKD payable against SGD. The decrease of exchange gain (unrealised) in 1Q2018 as compare to 1Q2017 was mainly due to lower exchange gain (unrealised) from depreciation of HKD payable.
- A.11 The fair value gain on cross currency interest rate swap ("CCS") is recorded in other operating income in 1Q2017. The CCS has matured on 17 July 2017.
- A.12 Foreign exchange loss (unrealised) in 1Q2018 arose mainly due to depreciation of AUD receivable from subsidiaries. 1Q2017 foreign exchange loss was mainly due to appreciation of AUD bank borrowings.
- A.13 Non-controlling interests was a loss in 1Q2018 mainly due to showflat expenses incurred for 120 Grange and Upper Bukit Timah Road projects. In 1Q2017, non-controlling interests comprised mainly profits from Trilive, the contribution from which in 1Q2018 was lower mainly due to the project is at its final stage of completion.



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

|                                                                 |      | <b>First Quarter ended<br/>31 March</b> |                         |                     |
|-----------------------------------------------------------------|------|-----------------------------------------|-------------------------|---------------------|
|                                                                 |      | <b>2018<br/>S\$'000</b>                 | <b>2017<br/>S\$'000</b> | <b>Change<br/>%</b> |
| <b>Profit after taxation</b>                                    |      | <b>6,996</b>                            | 6,313                   | 11%                 |
| <b>Other comprehensive income</b>                               |      |                                         |                         |                     |
| Net change in fair value of available-for-sale financial assets |      | <b>194</b>                              | 45                      | n/m                 |
| Tax on other comprehensive income                               |      | <b>(33)</b>                             | (7)                     | n/m                 |
| Currency translation differences arising from consolidation     | A.14 | <b>(6,928)</b>                          | 7,345                   | n/m                 |
| Other comprehensive income, net of tax                          |      | <b>(6,767)</b>                          | 7,383                   | n/m                 |
| <b>Total comprehensive income for the period</b>                |      | <b>229</b>                              | 13,696                  | n/m                 |
| Attributable to:                                                |      |                                         |                         |                     |
| Equity holders of the Company                                   |      | <b>234</b>                              | 13,292                  | n/m                 |
| Non-controlling interests                                       |      | <b>(5)</b>                              | 404                     | n/m                 |
|                                                                 |      | <b>229</b>                              | 13,696                  | n/m                 |

A.14 Currency translation differences arose mainly from the depreciation of AUD against SGD during the quarter.

**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 | 31-Mar-18<br>S\$'000 | 31-Dec-17<br>S\$'000 | 31-Mar-18<br>S\$'000 | 31-Dec-17<br>S\$'000 |
| <b>ASSETS</b>                                |      |                      |                      |                      |                      |
| <b>Non-Current</b>                           |      |                      |                      |                      |                      |
| Property, plant and equipment                | B.1  | 218,604              | 215,507              | 786                  | 801                  |
| Intangible assets                            |      | 496                  | 541                  | 450                  | 491                  |
| Investment properties                        |      | 123,901              | 124,191              | -                    | -                    |
| Investment in subsidiaries                   | B.2  | -                    | -                    | 176,300              | 143,180              |
| Investment in associates                     | B.3  | 170,356              | 163,309              | -                    | -                    |
| Amounts due from associates                  | B.3  | 36,587               | 34,876               | -                    | -                    |
| Available-for-sale financial assets          | B.4  | 2,469                | 2,275                | 976                  | 700                  |
|                                              |      | 552,413              | 540,699              | 178,512              | 145,172              |
| <b>Current</b>                               |      |                      |                      |                      |                      |
| Development properties for sale*             | B.5  | 639,542              | 540,584              | -                    | -                    |
| Inventories                                  |      | 1,179                | 1,065                | -                    | -                    |
| Trade receivables                            | B.6  | 29,543               | 53,279               | 11                   | 9                    |
| Other receivables                            | B.7  | 39,521               | 31,054               | 365,319              | 336,084              |
| Cash and bank balances                       |      | 270,309              | 322,460              | 174,110              | 168,220              |
|                                              |      | 980,094              | 948,442              | 539,440              | 504,313              |
| <b>Total assets</b>                          |      | 1,532,507            | 1,489,141            | 717,952              | 649,485              |
| <b>EQUITY AND LIABILITIES</b>                |      |                      |                      |                      |                      |
| <b>Capital and Reserves</b>                  |      |                      |                      |                      |                      |
| Share capital                                |      | 47,399               | 47,399               | 47,399               | 47,399               |
| Treasury shares                              |      | (1,545)              | (564)                | (1,545)              | (564)                |
| Fair value reserve                           |      | 473                  | 312                  | 367                  | 138                  |
| Revaluation reserve                          |      | 533                  | 533                  | -                    | -                    |
| Translation reserve                          |      | (11,458)             | (4,527)              | (1,925)              | 768                  |
| Retained earnings                            |      | 466,516              | 459,512              | 190,930              | 174,572              |
| Equity attributable to owners of the Company |      | 501,918              | 502,665              | 235,226              | 222,313              |
| Non-controlling interests                    |      | 4,456                | 5,071                | -                    | -                    |
|                                              |      | 506,374              | 507,736              | 235,226              | 222,313              |
| <b>Liabilities</b>                           |      |                      |                      |                      |                      |
| <b>Non-Current</b>                           |      |                      |                      |                      |                      |
| Bank borrowings                              | B.10 | 317,627              | 318,090              | -                    | -                    |
| Deferred tax liabilities                     | B.9  | 12,157               | 16,475               | 587                  | 643                  |
|                                              |      | 329,784              | 334,565              | 587                  | 643                  |
| <b>Current</b>                               |      |                      |                      |                      |                      |
| Trade and other payables                     | B.8  | 69,622               | 62,211               | 407,715              | 377,055              |
| Provision for taxation                       | B.9  | 34,819               | 30,873               | 300                  | 300                  |
| Bank borrowings                              | B.10 | 591,908              | 553,756              | 74,124               | 49,174               |
|                                              |      | 696,349              | 646,840              | 482,139              | 426,529              |
| <b>Total liabilities</b>                     |      | 1,026,133            | 981,405              | 482,726              | 427,172              |
| <b>Total equity and liabilities</b>          |      | 1,532,507            | 1,489,141            | 717,952              | 649,485              |

\* \$276.0 million (31 December 2017: \$247.3 million) relates to the Group's pre-sold development properties as at 31 March 2018.

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

- B.1 The increase in property, plant and equipment in 1Q2018 was mainly due to development cost 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.
- B.3 Investment in associates increased mainly due to share of results from associates and long-term equity loan to newly incorporated associate for acquisition of investment property.
- Amounts due from associates increased mainly due to long-term equity loans to newly incorporated associates for land acquisitions.
- B.4 Available-for-sale financial assets were valued at \$2.5 million as at 31 March 2018, comprising equity securities listed on the Singapore Exchange.
- B.5 Development properties for sale as at 31 March 2018 comprises of properties for sale under development. As at 31 December 2017, it includes developed properties for sale of \$4.3 million which was fully sold in 1Q2018. The increase in properties for sale under development was mainly due to completion of purchase of development sites at Dunearn Court, Derby Court and Melbourne House. The increase was partially offset by progress billings from Trilive and The Navian.
- B.6 Trade receivables comprised mainly progress payments receivable from purchasers and unbilled revenues for the projects which obtained TOP. The decrease was mainly due to receipt of progress billings from LIV on Sophia, LIV on Wilkie, Trilive and Jade Residences.
- B.7 The Group's other receivables comprised mainly deposits, prepayments and other receivables. The increase was mainly due to deposits paid for the development site at Lorong Kismis and tender deposit paid for the Holland Road site, partially offset by 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 loan 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 increase in progress claims from contractors for ongoing development projects and contribution from non-controlling shareholder for deposit paid on development site.
- At Company level, trade and other payables comprised mainly of amounts due to subsidiaries, accrued staff and directors' bonuses and other expenses. The increase was mainly from advance received from subsidiaries.
- B.9 Current provision for taxation increased mainly due to transfer from deferred tax provision for projects completed in prior years as a result of billing of previously unbilled revenue in 2018.
- B.10 The Group's total borrowings amounted to \$909.5 million, with \$291.4 million repayable within one year and \$618.1 million repayable after one year (refer to page 9, table 1(b)(ii)). The increase in total borrowings was mainly due to drawdown of borrowings for projects and investment property acquired during the period.
- At the Company level, total borrowings amounted to \$74.1 million, all repayable within one year. The increase in total borrowings was mainly due to loan drawdown for tender deposit.



**Roxy-Pacific  
Holdings Limited**

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

|                                                                                                              | 31 March 2018      |                      |                  | 31 December 2017   |                      |                  |
|--------------------------------------------------------------------------------------------------------------|--------------------|----------------------|------------------|--------------------|----------------------|------------------|
|                                                                                                              | Secured<br>S\$'000 | Unsecured<br>S\$'000 | Total<br>S\$'000 | Secured<br>S\$'000 | Unsecured<br>S\$'000 | Total<br>S\$'000 |
| <b>Non-current</b>                                                                                           |                    |                      |                  |                    |                      |                  |
| - Amounts repayable after one year                                                                           | 317,627            | -                    | 317,627          | 318,090            | -                    | 318,090          |
| <b>Current</b>                                                                                               |                    |                      |                  |                    |                      |                  |
| - Amounts repayable in one year or less, or on demand                                                        | 250,892 (i) (ii)   | 40,500 (iii)         | 291,392          | 262,417            | 40,500               | 302,917          |
| - Amounts repayable after one year but within the normal operating cycle of the Property Development segment | 300,516            | -                    | 300,516          | 250,839            | -                    | 250,839          |
|                                                                                                              | 551,408            | 40,500               | 591,908          | 513,256            | 40,500               | 553,756          |
|                                                                                                              | <b>869,035</b>     | <b>40,500</b>        | <b>909,535</b>   | <b>831,346</b>     | <b>40,500</b>        | <b>871,846</b>   |

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. \$100.0 million relates to our sold development project properties and is expected to be repaid by 31 March 2019 upon obtaining Temporary Occupation Permits ("TOP") and collections from buyers of the properties.  
\$94.6 million relates to loans for Grand Mercure Roxy Hotel, Singapore.
  - ii. \$33.6 million loan is secured by fixed deposits.
  - iii. \$40.5 million included within current borrowings represents a held-to-maturity multi-currency note ("MTN Notes"), which is unsecured and repayable in July 2018. The Group had repurchased and cancelled \$19.5 million of the MTN Notes in 3Q2017.

**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.**

|                                                            |      | First quarter ended<br>31 March |                 |
|------------------------------------------------------------|------|---------------------------------|-----------------|
|                                                            | Note | 2018<br>S\$'000                 | 2017<br>S\$'000 |
| <b>Cash Flows from Operating Activities</b>                |      |                                 |                 |
| Profit before taxation                                     |      | 7,855                           | 9,165           |
| Adjustments for:                                           |      |                                 |                 |
| Depreciation of property, plant and equipment              |      | 1,584                           | 1,755           |
| Amortisation of intangible assets                          |      | 45                              | 4               |
| Dividend income from available-for-sale financial assets   |      | (20)                            | (21)            |
| Share of results of associates                             |      | (5,783)                         | (2,619)         |
| Provision for doubtful debt                                |      | -                               | 12              |
| Interest income                                            |      | (449)                           | (675)           |
| Interest expense on bank borrowings                        |      | 3,121                           | 3,696           |
| Fair value gain on cross currency interest rate swap       |      | -                               | (1,409)         |
| Net foreign exchange gain (unrealised)                     |      | (67)                            | (144)           |
| Operating profit before working capital changes            |      | 6,286                           | 9,764           |
| Changes in properties for sale under development           |      | (105,364)                       | 10,118          |
| Changes in developed properties for sale                   |      | 4,314                           | 1,051           |
| Changes in inventories                                     |      | (114)                           | (22)            |
| Changes in operating receivables                           |      | 35,809                          | 12,144          |
| Changes in operating payables                              |      | (19,841)                        | (6,074)         |
| Cash (used in) / generated from operations                 |      | (78,910)                        | 26,981          |
| Net income tax paid                                        |      | (388)                           | (29)            |
| Cash (used in) / generated from operating activities       | C.1  | (79,298)                        | 26,952          |
| <b>Cash Flows from Investing Activities</b>                |      |                                 |                 |
| Acquisition of property, plant and equipment               | C.2  | (2,405)                         | (2,329)         |
| Investment in associates                                   | C.3  | (12,274)                        | -               |
| Dividend received from available-for-sale financial assets |      | 20                              | -               |
| Dividend received from investment in associates            |      | 12,000                          | -               |
| Loan and advance to associates                             | C.4  | (2,360)                         | -               |
| Repayment from associates                                  |      | 1,769                           | -               |
| Interest received                                          |      | 967                             | 1,039           |
| Cash used in investing activities                          |      | (2,283)                         | (1,290)         |
| <b>Cash Flows from Financing Activities</b>                |      |                                 |                 |
| Proceeds from borrowings                                   |      | 84,896                          | 67,826          |
| Repayment of borrowings                                    |      | (46,311)                        | (64,197)        |
| Fixed deposit pledged to banks and financial institutions  |      | (4)                             | -               |
| Interest paid                                              |      | (6,525)                         | (5,908)         |
| Share buy-back                                             |      | (981)                           | (9)             |
| Dividend paid to non-controlling shareholders              |      | (610)                           | (250)           |
| Cash generated from / (used in) financing activities       | C.5  | 30,465                          | (2,538)         |

|                                                                  |     | <b>First quarter ended<br/>31 March</b> |                |
|------------------------------------------------------------------|-----|-----------------------------------------|----------------|
|                                                                  |     | <b>2018</b>                             | <b>2017</b>    |
|                                                                  |     | <b>S\$'000</b>                          | <b>S\$'000</b> |
| Net (decrease) / increase in cash and cash equivalents           |     | <b>(51,115)</b>                         | 23,124         |
| Cash and cash equivalents at beginning of period                 |     | <b>234,295</b>                          | 237,280        |
| Effects of foreign currency translation                          |     | <b>(1,040)</b>                          | (322)          |
| Cash and cash equivalents at end of period                       |     | <b>182,140</b>                          | 260,082        |
| <b>Analysis of cash and cash equivalents:-</b>                   |     |                                         |                |
| Project accounts                                                 | C.6 | <b>20,116</b>                           | 63,151         |
| Fixed deposits in project accounts                               |     | <b>15,500</b>                           | 54,500         |
| Fixed deposits                                                   |     | <b>143,105</b>                          | 160,194        |
| Cash and bank balances                                           |     | <b>91,588</b>                           | 70,282         |
|                                                                  |     | <b>270,309</b>                          | 348,127        |
| Less: Fixed deposits pledged to banks and financial institutions |     | <b>(88,169)</b>                         | (88,045)       |
|                                                                  |     | <b>182,140</b>                          | 260,082        |

**Notes to the consolidated statement of cash flows:**

- C.1 The net cash outflows from operating activities of \$79.3 million in 1Q2018 as compared to net cash inflows of \$27.0 million in 1Q2017 was mainly due to acquisition of new development sites in 1Q2018, partially offset by increased in collections from receivables.
- C.2 The acquisition of property, plant and equipment is mainly related to the development cost for the hotel/resort under retrofitting/construction in Maldives and Chalong.
- C.3 The investment in associates in 1Q2018 related mainly to quasi loans granted for the acquisition of St Kilda office building.
- C.4 Loan and advance to associates in 1Q2018 was mainly related to long term loan to associate companies in Singapore.
- C.5 The net cash inflows from financing activities of \$30.5 million in 1Q2018 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<br>S\$'000 | Treasury shares<br>S\$'000 | Fair value reserve<br>S\$'000 | Revaluation reserve<br>S\$'000 | Translation reserve<br>S\$'000 | Retained earnings<br>S\$'000 | Equity attributable to owners of the Company<br>S\$'000 | Non-controlling interests<br>S\$'000 | Total<br>S\$'000 |
|-----------------------------------------------------------------|--------------------------|----------------------------|-------------------------------|--------------------------------|--------------------------------|------------------------------|---------------------------------------------------------|--------------------------------------|------------------|
| Balance at 1 January 2018                                       | 47,399                   | (564)                      | 312                           | 533                            | (4,527)                        | 459,512                      | 502,665                                                 | 5,071                                | 507,736          |
| <b>Total comprehensive income for the period</b>                |                          |                            |                               |                                |                                |                              |                                                         |                                      |                  |
| Profit for the period                                           | -                        | -                          | -                             | -                              | -                              | 7,004                        | 7,004                                                   | (8)                                  | 6,996            |
| <b>Comprehensive income for the period</b>                      | -                        | -                          | -                             | -                              | -                              | 7,004                        | 7,004                                                   | (8)                                  | 6,996            |
| <b>Other comprehensive income</b>                               |                          |                            |                               |                                |                                |                              |                                                         |                                      |                  |
| Net change in fair value of available-for-sale financial assets | -                        | -                          | 194                           | -                              | -                              | -                            | 194                                                     | -                                    | 194              |
| Tax on other comprehensive income                               | -                        | -                          | (33)                          | -                              | -                              | -                            | (33)                                                    | -                                    | (33)             |
| Foreign currency translation differences                        | -                        | -                          | -                             | -                              | (6,931)                        | -                            | (6,931)                                                 | 3                                    | (6,928)          |
| <b>Total other comprehensive income for the period</b>          | -                        | -                          | 161                           | -                              | (6,931)                        | -                            | (6,770)                                                 | 3                                    | (6,767)          |
| <b>Total comprehensive income for the period</b>                | -                        | -                          | 161                           | -                              | (6,931)                        | 7,004                        | 234                                                     | (5)                                  | 229              |
| <b>Transactions with owners, recognised directly in equity</b>  |                          |                            |                               |                                |                                |                              |                                                         |                                      |                  |
| <b>Contributions by and distributions to owners</b>             |                          |                            |                               |                                |                                |                              |                                                         |                                      |                  |
| Share buy-back                                                  | -                        | (981)                      | -                             | -                              | -                              | -                            | (981)                                                   | -                                    | (981)            |
| Dividend paid to non-controlling interests                      | -                        | -                          | -                             | -                              | -                              | -                            | -                                                       | (610)                                | (610)            |
| <b>Total transactions with owners</b>                           | -                        | (981)                      | -                             | -                              | -                              | -                            | (981)                                                   | (610)                                | (1,591)          |
| <b>Balance at 31 March 2018</b>                                 | <b>47,399</b>            | <b>(1,545)</b>             | <b>473</b>                    | <b>533</b>                     | <b>(11,458)</b>                | <b>466,516</b>               | <b>501,918</b>                                          | <b>4,456</b>                         | <b>506,374</b>   |

| Group                                                           | Share capital<br>S\$'000 | Treasury Shares<br>S\$'000 | Fair value reserve<br>S\$'000 | Translation reserve<br>S\$'000 | Retained earnings<br>S\$'000 | Equity attributable to owners of the Company<br>S\$'000 | Non-controlling interests<br>S\$'000 | Total<br>S\$'000 |
|-----------------------------------------------------------------|--------------------------|----------------------------|-------------------------------|--------------------------------|------------------------------|---------------------------------------------------------|--------------------------------------|------------------|
| Balance at 1 January 2017                                       | 47,399                   | (555)                      | 50                            | (2,149)                        | 446,518                      | 491,263                                                 | 3,745                                | 495,008          |
| Profit for the period                                           | -                        | -                          | -                             | -                              | 5,908                        | 5,908                                                   | 405                                  | 6,313            |
| <b>Comprehensive income for the period</b>                      | -                        | -                          | -                             | -                              | 5,908                        | 5,908                                                   | 405                                  | 6,313            |
| <b>Other comprehensive income</b>                               |                          |                            |                               |                                |                              |                                                         |                                      |                  |
| Net change in fair value of available-for-sale financial assets | -                        | -                          | 45                            | -                              | -                            | 45                                                      | -                                    | 45               |
| Tax on other comprehensive income                               | -                        | -                          | (7)                           | -                              | -                            | (7)                                                     | -                                    | (7)              |
| Foreign currency translation differences                        | -                        | -                          | -                             | 7,346                          | -                            | 7,346                                                   | (1)                                  | 7,345            |
| <b>Total other comprehensive income for the period</b>          | -                        | -                          | 38                            | 7,346                          | -                            | 7,384                                                   | (1)                                  | 7,383            |
| <b>Total comprehensive income for the period</b>                | -                        | -                          | 38                            | 7,346                          | 5,908                        | 13,292                                                  | 404                                  | 13,696           |
| <b>Transaction with owners, recognised directly in equity</b>   |                          |                            |                               |                                |                              |                                                         |                                      |                  |
| <b>Contributions by and distributions to owners</b>             |                          |                            |                               |                                |                              |                                                         |                                      |                  |
| Share buy-back                                                  | -                        | (9)                        | -                             | -                              | -                            | (9)                                                     | -                                    | (9)              |
| Dividend paid to non-controlling interests                      | -                        | -                          | -                             | -                              | -                            | -                                                       | (250)                                | (250)            |
| <b>Total transactions with owners</b>                           | -                        | (9)                        | -                             | -                              | -                            | (9)                                                     | (250)                                | (259)            |
| <b>Balance at 31 March 2017</b>                                 | <b>47,399</b>            | <b>(564)</b>               | <b>88</b>                     | <b>5,197</b>                   | <b>452,426</b>               | <b>504,546</b>                                          | <b>3,899</b>                         | <b>508,445</b>   |

| <b>Company</b>                                                  | <b>Share capital<br/>S\$'000</b> | <b>Treasury shares<br/>S\$'000</b> | <b>Fair value reserve<br/>S\$'000</b> | <b>Translation reserve<br/>S\$'000</b> | <b>Retained earnings<br/>S\$'000</b> | <b>Total<br/>S\$'000</b> |
|-----------------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------|----------------------------------------|--------------------------------------|--------------------------|
| Balance at 1 January 2018                                       | 47,399                           | (564)                              | 138                                   | 768                                    | 174,572                              | 222,313                  |
| Profit for the period                                           | -                                | -                                  | -                                     | -                                      | <b>16,358</b>                        | <b>16,358</b>            |
| <b>Comprehensive income for the period</b>                      | -                                | -                                  | -                                     | -                                      | <b>16,358</b>                        | <b>16,358</b>            |
| <b>Other Comprehensive income</b>                               |                                  |                                    |                                       |                                        |                                      |                          |
| Net change in fair value of available-for-sale financial assets | -                                | -                                  | 229                                   | -                                      | -                                    | 229                      |
| Foreign currency translation difference                         | -                                | -                                  | -                                     | (2,693)                                | -                                    | (2,693)                  |
| <b>Total other comprehensive income for the period</b>          | -                                | -                                  | 229                                   | (2,693)                                | -                                    | (2,464)                  |
| <b>Total comprehensive income for the period</b>                | -                                | -                                  | 229                                   | (2,693)                                | 16,358                               | 13,894                   |
| <b>Transaction with owners, recognised directly in equity</b>   |                                  |                                    |                                       |                                        |                                      |                          |
| <b>Contributions by and distributions to owners</b>             |                                  |                                    |                                       |                                        |                                      |                          |
| Share buy-back                                                  | -                                | (981)                              | -                                     | -                                      | -                                    | (981)                    |
| <b>Total transactions with owners</b>                           | -                                | (981)                              | -                                     | -                                      | -                                    | (981)                    |
| <b>Balance at 31 March 2018</b>                                 | <b>47,399</b>                    | <b>(1,545)</b>                     | <b>367</b>                            | <b>(1,925)</b>                         | <b>190,930</b>                       | <b>235,226</b>           |

| <b>Company</b>                                                 | <b>Share capital<br/>S\$'000</b> | <b>Treasury shares<br/>S\$'000</b> | <b>Translation reserve<br/>S\$'000</b> | <b>Retained earnings<br/>S\$'000</b> | <b>Total<br/>S\$'000</b> |
|----------------------------------------------------------------|----------------------------------|------------------------------------|----------------------------------------|--------------------------------------|--------------------------|
| Balance at 1 January 2017                                      | 47,399                           | (555)                              | 4,187                                  | 68,392                               | 119,423                  |
| Profit for the period                                          | -                                | -                                  | -                                      | 13,590                               | 13,590                   |
| <b>Comprehensive income for the period</b>                     | -                                | -                                  | -                                      | 13,590                               | 13,590                   |
| <b>Other comprehensive income</b>                              |                                  |                                    |                                        |                                      |                          |
| Foreign currency translation differences                       | -                                | -                                  | 3,126                                  | -                                    | 3,126                    |
| <b>Total other comprehensive income for the period</b>         | -                                | -                                  | 3,126                                  | -                                    | 3,126                    |
| <b>Total comprehensive income for the period</b>               | -                                | -                                  | 3,126                                  | 13,590                               | 16,716                   |
| <b>Transactions with owners, recognised directly in equity</b> |                                  |                                    |                                        |                                      |                          |
| <b>Contributions by and distributions to owners</b>            |                                  |                                    |                                        |                                      |                          |
| Share buy-back                                                 | -                                | (9)                                | -                                      | -                                    | (9)                      |
| <b>Total transactions with owners</b>                          | -                                | (9)                                | -                                      | -                                    | (9)                      |
| <b>Balance at 31 March 2017</b>                                | <b>47,399</b>                    | <b>(564)</b>                       | <b>7,313</b>                           | <b>81,982</b>                        | <b>136,130</b>           |



**Roxy-Pacific  
Holdings Limited**

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 31 March 2018 are as follows:

|                             | 31 March 2018    | 31 March 2017    |
|-----------------------------|------------------|------------------|
|                             | No. of Shares    | No. of Shares    |
| <b>Treasury shares:</b>     |                  |                  |
| As at beginning of period   | 1,326,500        | 1,306,500        |
| Purchase of treasury shares | 1,778,500        | 20,000           |
| As at end of period         | <u>3,105,000</u> | <u>1,326,500</u> |

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.

|                                                                       | 31 March 2018        | 31 March 2017        |
|-----------------------------------------------------------------------|----------------------|----------------------|
| <b>Issued, fully paid share capital:</b>                              |                      |                      |
| Balance number of shares as at the beginning of period                | 1,192,223,494        | 1,192,243,494        |
| Purchase of treasury shares                                           | (1,778,500)          | (20,000)             |
| Total number of shares as at the end of period net of treasury shares | <u>1,190,444,994</u> | <u>1,192,223,494</u> |

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.

For the current financial reporting period ended 31 March 2018, 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.

Not applicable.



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**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                                  | First Quarter ended<br>31 March |           |
|------------------------------------------------------------------------------|---------------------------------|-----------|
|                                                                              | 2018                            | 2017      |
| (a) Based on the weighted average number of ordinary shares on issue (cents) | 0.59                            | 0.50      |
| (b) On fully diluted basis (cents)                                           | 0.59                            | 0.50      |
| Profit attributable to shareholders of the Company (\$'000)                  | 7,004                           | 5,908     |
| Weighted average number of shares ('000)                                     | 1,191,887                       | 1,192,225 |

**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   |           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|
|                                                                                                                                                         | 31-Mar-18 | 31-Dec-17 | 31-Mar-18 | 31-Dec-17 |
| Net asset value ("NAV") per ordinary shares based on total issue of 1,190,444,994 ordinary shares (cents) (2017: 1,192,223,494 ordinary shares (cents)) | 42.16     | 42.16     | 19.76     | 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 31 March 2018, our directors estimated that the fair value of these properties to be \$681.6 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 \$488.5 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     |           |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
|                                                                                                                                     | 31-Mar-18 | 31-Dec-17 |
| ANAV per ordinary share based on total issue of 1,190,444,994 ordinary shares (cents) (2017: 1,192,223,494 ordinary shares (cents)) | 83.20     | 83.28     |

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                                                         | First quarter ended<br>31-March |                 | Change<br>Increase/<br>(Decrease<br>% |      |              |
|---------------------------------------------------------------|---------------------------------|-----------------|---------------------------------------|------|--------------|
|                                                               | 2018<br>S\$'000                 | 2017<br>S\$'000 |                                       |      |              |
| <b>REVENUE</b>                                                |                                 |                 |                                       |      |              |
| Property Development                                          | 31,766                          | 68%             | 51,738                                | 79%  | -39%         |
| Hotel Ownership                                               | 12,653                          | 28%             | 10,485                                | 16%  | 21%          |
| Property Investment                                           | 2,030                           | 4%              | 3,207                                 | 5%   | -37%         |
|                                                               | <b>46,449</b>                   | 100%            | 65,430                                | 100% | -29%         |
| <b>GROSS PROFIT</b>                                           |                                 |                 |                                       |      |              |
| Property Development                                          | 5,594                           | 42%             | 8,410                                 | 51%  | -33%         |
| Hotel Ownership                                               | 6,387                           | 47%             | 5,633                                 | 35%  | 13%          |
| Property Investment                                           | 1,511                           | 11%             | 2,275                                 | 14%  | -34%         |
|                                                               | <b>13,492</b>                   | 100%            | 16,318                                | 100% | -17%         |
| <b>GROSS PROFIT MARGIN (%)</b>                                |                                 |                 |                                       |      |              |
| Property Development                                          | 18%                             |                 | 16%                                   |      | 2 ppt        |
| Hotel Ownership                                               | 50%                             |                 | 54%                                   |      | -4 ppt       |
| Property Investment                                           | 74%                             |                 | 71%                                   |      | 3 ppt        |
| Total                                                         | <b>29%</b>                      |                 | <b>25%</b>                            |      | <b>4 ppt</b> |
| <b>ADJUSTED EBITDA</b>                                        |                                 |                 |                                       |      |              |
| Property Development                                          | 3,333                           | 26%             | 9,483                                 | 70%  | -65%         |
| Hotel Ownership                                               | 2,722                           | 22%             | 1,839                                 | 14%  | 48%          |
| Property Investment - Rental income                           | 948                             | 7%              | 1,751                                 | 13%  | -46%         |
| Property Investment - Share of result of associates           | 5,685                           | 45%             | 458                                   | 3%   | n/m          |
|                                                               | <b>12,688</b>                   | 100%            | 13,531                                | 100% | -6%          |
| <b>PROFIT BEFORE TAX</b>                                      |                                 |                 |                                       |      |              |
| Adjusted EBITDA                                               | 12,688                          |                 | 13,531                                |      | -6%          |
| Corporate expenses                                            | (643)                           |                 | (1,143)                               |      | -44%         |
| Depreciation of property, plant and equipment                 | (1,584)                         |                 | (1,755)                               |      | -10%         |
| Net interest expense                                          | (2,672)                         |                 | (3,021)                               |      | -12%         |
| Net unrealised foreign exchange gain / (loss)                 | 67                              |                 | 144                                   |      | -53%         |
| Fair value gain / (loss) on cross currency interest rate swap | -                               |                 | 1,409                                 |      | -100%        |
|                                                               | <b>7,855</b>                    |                 | <b>9,165</b>                          |      | <b>-14%</b>  |

n/m: not meaningful



## Roxy-Pacific Holdings Limited

### (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           |
| <b>Revenue</b>             |                |                |               |               |               |               |              |               |               |                  |
| First quarter ended        |                |                |               |               |               |               |              |               |               |                  |
| <b>31 March 2018</b>       | <b>41,700</b>  | <b>170</b>     | <b>1,971</b>  | -             | -             | -             | -            | <b>1,012</b>  | <b>1,596</b>  | <b>46,449</b>    |
| 31 March 2017              | 61,758         | 2,792          | 727           | -             | -             | -             | -            | 153           | -             | 65,430           |
| <b>Non-current assets</b>  |                |                |               |               |               |               |              |               |               |                  |
| <b>As at 31 March 2018</b> | <b>170,453</b> | <b>126,851</b> | <b>72,446</b> | <b>26,227</b> | <b>20,048</b> | <b>22,907</b> | <b>3,757</b> | <b>49,512</b> | <b>60,212</b> | <b>552,413</b>   |
| As at 31 December 2017     | 180,050        | 107,199        | 70,313        | 24,391        | 19,529        | 26,011        | 3,914        | 49,430        | 59,862        | 540,699          |
| <b>Total assets</b>        |                |                |               |               |               |               |              |               |               |                  |
| <b>As at 31 March 2018</b> | <b>900,236</b> | <b>364,492</b> | <b>77,388</b> | <b>28,494</b> | <b>20,048</b> | <b>22,909</b> | <b>3,759</b> | <b>52,714</b> | <b>62,467</b> | <b>1,532,507</b> |
| As at 31 December 2017     | 914,987        | 309,063        | 75,191        | 27,741        | 19,529        | 26,012        | 3,916        | 51,539        | 61,163        | 1,489,141        |

### Revenue and gross profit analysis

#### (i) Revenue

The Group achieved revenue of \$46.4 million in 1Q2018, 29% lower than \$65.4 million in 1Q2017. 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 68% of the Group's turnover in 1Q2018, decreased 39% to \$31.8 million in 1Q2018 from \$51.7 million in 1Q2017. The decrease was largely due to lower revenue recognition from Trilive, a project at its final stage of completion, 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 and Malaysia, unlike in Singapore, 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 28% to the Group's turnover in 1Q2018, registered \$12.7 million in revenue as compared to \$10.5 million in 1Q2017. The increase in 1Q2018 was mainly due to contribution from newly acquired hotel in Osaka, Japan and higher revenue from resort in Maldives after its partial opening.

Revenue from the Property Investment segment constituted the balance of 4% of the Group's turnover and contributed \$2.0 million in 1Q2018 as compared to \$3.2 million in 1Q2017. The decrease was mainly due to the sale of investment property in 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 33% to \$33.0 million in 1Q2018 from \$49.1 million in 1Q2017.

Gross profit from the Property Development segment contributed \$5.6 million or 42% of the Group's total gross profit in 1Q2018, while the remaining 58% or \$7.9 million was contributed by the Hotel Ownership and Property Investment segments. Gross profit margin from the Property Development segment was 18% in 1Q2018, as compared to 16% in 1Q2017. The gross profit margin of the Hotel Ownership segment decreased 4 percentage points to 50% in 1Q2018 mainly due to lower RevPar from GMRH. Gross profit margin of the Property Investment segment was 74% in 1Q2018 as compared to 71% in 1Q2017; this is mainly due to higher gross profit margin from NZI Centre, which was acquired in December 2017.



The Group's overall gross profit margin in 1Q2018 was 29%, higher than the 25% recorded in 1Q2017 due to higher margin from Property Development and Property Investment segments.

**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 7-9 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 full financial year ended 31 December 2017.

**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.**

Latest statistics from the Ministry of Trade and Industry<sup>1</sup> showed that the Singapore economy grew 4.3% year-on-year in 1Q2018, higher than the 3.6% growth registered in 4Q2017. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy grew at a slower pace of 1.4% compared to the 2.1% growth in 4Q2017.

Australia's economy also posted positive growth – its economy grew 2.4% year-on-year in 4Q2017 compared to a year ago on a seasonally adjusted basis<sup>2</sup>. The Reserve Bank of Australia had projected that the country's GDP will grow around 3.25% for the year ending December 2018<sup>3</sup>.

In Japan, the economy advanced 0.4% quarter-on-quarter in 4Q2017.

Property Development

Singapore

In its latest release, the Urban Redevelopment Authority ("URA") reported that private residential property prices in 1Q2018 grew 3.9%, a sharp increase compared to the 0.8% growth recorded in the preceding quarter<sup>4</sup>. During the quarter, 921 private residential units were launched for sale and 1,581 units were sold. This compares to 877 units launched and 1,864 units sold in 4Q2017.

Ahead of the property market's gradual recovery, the Group has prudently replenished its land bank with predominantly freehold sites in Singapore at attractive prices to maximise the yield potential of these projects. The Group looks forward to the launch of another six development land sites in FY2018 as it continues to prudently seek attractive sites for development.

Amidst the current upcycle, the Group has launched The Navian in January 2018, and has sold 77% of its units as of 3 May 2018. The Group's latest project, Harbour View Gardens, was more than 90% sold since its launched in April 2018.

<sup>1</sup> Ministry of Trade and Industry Singapore, April 13, 2018 – [Singapore's GDP grew by 4.3 per cent in the first quarter of 2018](#)

<sup>2</sup> Australian Bureau of Statistics, March 7 2018 – [Australian National Accounts: National Income, Expenditure and Product, Dec 2017](#)

<sup>3</sup> Reserve Bank of Australia, November 2017 – [Statement on Monetary Policy, Table 6.1: Output Growth and Inflation Forecasts](#)

<sup>4</sup> Urban Redevelopment Authority, April 27, 2018 – [Release 1<sup>st</sup> Quarter 2018 real estate statistics](#)

## Australia

In Australia, residential property prices rose 5.0% through the 2017 full year. Key cities where the Group has a presence in also registered year-on-year growth of 3.8% in Sydney, and 2.1% in Brisbane<sup>5</sup>.

The Group's residential development projects in Australia have received warm reception – The Hensley and Octavia in Sydney are only left with two units for sale each, while West End Glebe that was launched in two phases is currently overall 72% sold.

As at 3 May 2018, based on units sold from the following ongoing development projects, the Group has total attributable pre-sale revenue of \$548.1 million, the profits of which will be recognised from 2Q2018 to FY2021.

| Project name                           | Type of development | Group stake % | Total units in project Unit | Unit sold % | Attributable total sale value <sup>(i) (ii)</sup> \$'m | Attributable revenue recognised up to 31 Mar 2018 \$'m | Balance attributable progress billings to be recognised from 2Q2018 \$'m |
|----------------------------------------|---------------------|---------------|-----------------------------|-------------|--------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------|
| <b><u>Singapore</u></b>                |                     |               |                             |             |                                                        |                                                        |                                                                          |
| 1 Trilive                              | Residential         | 85%           | 222                         | 100%        | \$ 224.1                                               | \$ 214.2                                               | \$ 9.9                                                                   |
|                                        | Shop                | 85%           | 2                           | 100%        | \$ 1.4                                                 | \$ 1.3                                                 | \$ 0.1                                                                   |
| 2 Straits Mansions                     | Residential         | 100%          | 25                          | 100%        | \$ 48.2                                                | \$ 31.9                                                | \$ 16.3                                                                  |
| 3 The Navian <sup>(iii)</sup>          | Residential         | 100%          | 48                          | 77%         | \$ 42.8                                                | \$ 2.0                                                 | \$ 40.8                                                                  |
| 4 Harbour View Gardens <sup>(iv)</sup> | Residential         | 100%          | 57                          | 91%         | \$ 65.8                                                | -                                                      | \$ 65.8                                                                  |
| <b><u>Malaysia</u></b>                 |                     |               |                             |             |                                                        |                                                        |                                                                          |
| 5 Wisma Infinitum - The Colony         | Residential         | 47%           | 423                         | 68%         | \$ 50.8                                                | -                                                      | \$ 50.8                                                                  |
| Wisma Infinitum - The Luxe             | Residential         | 47%           | 300 <sup>(v)</sup>          | 32%         | \$ 21.0                                                | -                                                      | \$ 21.0                                                                  |
| <b><u>Australia</u></b>                |                     |               |                             |             |                                                        |                                                        |                                                                          |
| <b><u>Sydney</u></b>                   |                     |               |                             |             |                                                        |                                                        |                                                                          |
| 6 The Hensley, Potts Point             | Residential         | 100%          | 44                          | 95%         | \$ 69.1                                                | -                                                      | \$ 69.1                                                                  |
|                                        | Shop                | 100%          | 1                           | 100%        | \$ 1.1                                                 | -                                                      | \$ 1.1                                                                   |
| 7 Octavia, Killara                     | Residential         | 100%          | 43                          | 95%         | \$ 46.8                                                | -                                                      | \$ 46.8                                                                  |
| 8 West End Glebe, Tower 1 (Foundry)    | Residential         | 100%          | 140                         | 87%         | \$ 141.8                                               | -                                                      | \$ 141.8                                                                 |
| West End Glebe, Tower 2 (Art House)    | Residential         | 100%          | 91                          | 49%         | \$ 54.5                                                | -                                                      | \$ 54.5                                                                  |
| <b><u>South Brisbane</u></b>           |                     |               |                             |             |                                                        |                                                        |                                                                          |
| 9 New World Towers, Peel Street        | Residential         | 40%           | 195 <sup>(vi)</sup>         | 63%         | \$ 30.1                                                | -                                                      | \$ 30.1                                                                  |
| <b>Total</b>                           |                     |               | <b>1,591</b>                |             | <b>\$ 797.5</b>                                        | <b>\$ 249.4</b>                                        | <b>\$ 548.1</b>                                                          |

(i) For Singapore projects, sale value is based on Option to Purchase granted up to 3 May 2018

(ii) For overseas projects, sale value is based on contract signed up to 3 May 2018

(iii) Launched in January 2018

(iv) Launched in April 2018

(v) Represents Block B - The Luxe by Infinitum. An additional 31 commercial units are pending launch

(vi) Represents Tower 1 of the development. Tower 2 with an estimated 240 units are pending launch

<sup>5</sup> Australian Bureau of Statistics, March 20, 2018 – [Residential Property Price Indexes: Eight Capital Cities Dec 2017](#)



## Roxy-Pacific Holdings Limited

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

|              | Project name/ Location / Description            | Proposed Development                 | Approximate Land Area (sq ft) | Approximate Gross Floor Area (sq ft) | Group's stake | Approximate Attributable Gross Floor Area (sq ft) | Approximate Attributable Land Cost (SGD) |
|--------------|-------------------------------------------------|--------------------------------------|-------------------------------|--------------------------------------|---------------|---------------------------------------------------|------------------------------------------|
| 1            | 120 Grange                                      | 56 units of Residential Development  | 15,780                        | 33,142                               | 90%           | 29,828                                            | \$43.6m                                  |
| 2            | 826/A - 834/A Upper Bukit Timah Road            | 34 units of Residential Development  | 10,258                        | 25,640                               | 80%           | 20,512                                            | \$13.6m                                  |
| 3            | RV Millenia                                     | 148 units of Residential Development | 28,793                        | 80,632                               | 100%          | 80,632                                            | \$110.0m                                 |
| 4            | 2,6,12 & 14 Guillemard Lane                     | 98 units of Residential Development  | 26,454                        | 74,072                               | 50%           | 37,036                                            | \$28.0m <sup>(3)</sup>                   |
| 5            | 386/A/B, 388/A/B, 390/A/B, 392/A/B Dunearn Road | 36 units of Residential Development  | 19,203                        | 26,884                               | 100%          | 26,884                                            | \$36.3m                                  |
| 6            | 5 Derbyshire Road                               | 70 units of Residential Development  | 18,506                        | 53,154                               | 100%          | 53,154                                            | \$73.9m                                  |
| 7            | 15, 17 & 19 Lorong Kismis <sup>(1)</sup>        | 186 units of Residential Development | 100,336                       | 140,470                              | 60%           | 84,282                                            | \$78.5m <sup>(4)</sup>                   |
| 8            | 22 Farrer Road <sup>(2)</sup>                   | 86 units of Residential Development  | 39,130                        | 64,310                               | 40%           | 25,724                                            | \$39.5m                                  |
| <b>Total</b> |                                                 | <b>714 units</b>                     | <b>258,460</b>                | <b>498,304</b>                       |               | <b>358,052</b>                                    | <b>\$423.4m</b>                          |

- (1) The acquisition is subject to and conditional upon the obtaining of in-principle approval from the Singapore Land Authority to issue a fresh 99 years lease for the Property and an Order for Sale from the Strata Titles Board or the High Court (as case may be) approving this sale and purchases, if necessary.
- (2) The acquisition is subject to and conditional upon obtaining an Order for Sale from the Strata Titles Board or the High Court (as may be necessary) approving this sale
- (3) Includes state land cost
- (4) Included estimated development charge / top up lease premium

The Group currently has eight development sites in Singapore as its land bank, of which Roxy-Pacific plans to launch another six development sites for sale in FY2018, depending on market conditions. Roxy-Pacific will continue to monitor the residential market closely to launch its projects at an opportune time to capitalise on the current positive sentiments and upcycle.

In Australia, the Group has completed the acquisition of Melbourne House, a freehold six-storey commercial and retail building in Melbourne's Central Business District, Australia, that is planned to be redeveloped into a mixed-use development, comprising hotel and retail units.

### Hotel Ownership

Latest statistics from the Singapore Tourism Board ("STB")<sup>6</sup> reported a second consecutive year of record tourism performance in 2017 with a 3.9% growth in tourism receipts to S\$26.8 million and a 6.2% growth in visitor arrivals. Total gazetted room revenue rose 3.9% to reach S\$3.7 billion while hotel occupancy grew 1.5 percentage points.

For 2018, STB remains optimistic, forecasting 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%.

<sup>6</sup> Singapore Tourism Board, February 12, 2018 – [Singapore tourism sector performance breaks record for the second year running in 2017](#)



## Roxy-Pacific Holdings Limited

According to Japan National Tourism Organisation<sup>7</sup>, the estimated number of international travelers to Japan in February 2018 was about 2.5 million (+23.3% from the previous year), being the best February ever.

While 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, its resort in Maldives, Noku Maldives, had commenced operations in December 2017. Despite last stages of renovation still ongoing, Noku Maldives received warm reception on its opening and maintained strong occupancy since its soft launch. It is expected to be in full operation by June 2018, while its counterpart in Phuket is targeted to open in 2019.

### Property Investment

For the Australian office sector<sup>8</sup>, the December quarter records the fastest growth in rents of 0.8%, led by the states of New South Wales (+2.0%) and Victoria (1.6%). Property analysts believe the office property sector will grow fastest in the next 1 to 2 years (1.4% and 1.9%, respectively), with expectations for the states of New South Wales and Victoria to outperform.

The Group is exploring opportunities to divest its Grade A commercial building, 117 Clarence Street in Sydney, like it has successfully done so with 59 Goulburn Street in 2017 to unlock shareholder value and recycle capital into other yield-accretive investments. The Group's associate company has entered into a Heads of Agreement to sell 117 Clarence Street. The sale is subject to due diligence exercise to be carried by the purchaser.

With the divestment of 59 Goulburn Street, the capital was recycled into the acquisitions of two commercial buildings in Auckland, New Zealand. The first property at 205 Queen Street is a Grade A office building that is 50%-owned by the Group, while the second commercial office building, known as NZI Centre, is strategically located on the western side of Auckland's Central Business District. The Group has also acquired a 45% stake in an office building located at 312 St Kilda Road, Southbank, VIC 3006, Australia. These properties have commenced revenue contribution this financial quarter.

### Outlook

Barring any unforeseen circumstances, the directors expect the Group to be profitable in 2018.

## **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

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

No dividend has been declared / recommended.

<sup>7</sup> Japan National Tourism Organisation - <https://www.tourism.jp/en/tourism-database/stats/>

<sup>8</sup> National Australia Bank, February 24, 2018 - [NAB Commercial Property Survey Q4 2017](#)



**Roxy-Pacific  
Holdings Limited**

### **13. Interested Person Transactions**

The Company does not have a shareholders' mandate for interested person transactions. There were no interested person transactions during the quarter ended 31 March 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

14<sup>th</sup> May 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 31 March 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

14<sup>th</sup> May 2018  
Singapore