



**Roxy-Pacific  
Holdings Limited**

## **ROXY-PACIFIC HOLDINGS LIMITED**

(Registration Number: 196700135Z)

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND  
ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

**UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND  
ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

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**UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND  
ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 | Second quarter ended<br>30 June |                 |             | First half year ended<br>30 June |                 |             |
|----------------------------------------------------|------|---------------------------------|-----------------|-------------|----------------------------------|-----------------|-------------|
|                                                    |      | 2018<br>S\$'000                 | 2017<br>S\$'000 | Change<br>% | 2018<br>S\$'000                  | 2017<br>S\$'000 | Change<br>% |
| Revenue                                            | A.1  | <b>36,981</b>                   | 77,812          | -52%        | <b>83,295</b>                    | 143,242         | -42%        |
| Cost of sales                                      | A.2  | <b>(24,352)</b>                 | (64,055)        | -62%        | <b>(57,309)</b>                  | (113,166)       | -49%        |
| Gross profit                                       | A.2  | <b>12,629</b>                   | 13,757          | -8%         | <b>25,986</b>                    | 30,076          | -14%        |
| Other operating income                             | A.3  | <b>4,140</b>                    | 24,810          | -83%        | <b>6,312</b>                     | 28,316          | -78%        |
| Distribution and selling expenses                  | A.4  | <b>(2,205)</b>                  | (1,110)         | 99%         | <b>(4,415)</b>                   | (1,882)         | 135%        |
| Administrative expenses                            |      | <b>(2,231)</b>                  | (2,136)         | 4%          | <b>(4,314)</b>                   | (4,168)         | 4%          |
| Other operating expenses                           | A.5  | <b>(5,691)</b>                  | (10,552)        | -46%        | <b>(11,674)</b>                  | (17,279)        | -32%        |
| Finance costs                                      | A.6  | <b>(3,443)</b>                  | (4,004)         | -14%        | <b>(6,624)</b>                   | (7,751)         | -15%        |
| Share of results of associates (net of income tax) | A.7  | <b>5,573</b>                    | 4,674           | 19%         | <b>11,356</b>                    | 7,292           | 56%         |
| Profit before taxation                             |      | <b>8,772</b>                    | 25,439          | -66%        | <b>16,627</b>                    | 34,604          | -52%        |
| Tax expense                                        | A.8  | <b>(2,224)</b>                  | (10,122)        | -78%        | <b>(3,083)</b>                   | (12,974)        | -76%        |
| Profit after taxation                              |      | <b>6,548</b>                    | 15,317          | -57%        | <b>13,544</b>                    | 21,630          | -37%        |
| Attributable to:                                   |      |                                 |                 |             |                                  |                 |             |
| Equity holders of the Company                      |      | <b>6,385</b>                    | 14,742          | -57%        | <b>13,389</b>                    | 20,650          | -35%        |
| Non-controlling interests                          | A.13 | <b>163</b>                      | 575             | -72%        | <b>155</b>                       | 980             | -84%        |
|                                                    |      | <b>6,548</b>                    | 15,317          | -57%        | <b>13,544</b>                    | 21,630          | -37%        |



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

|                                                           |      | Second quarter ended |         |        | First half year ended |          |        |
|-----------------------------------------------------------|------|----------------------|---------|--------|-----------------------|----------|--------|
|                                                           | Note | 30 June              |         |        | 30 June               |          |        |
|                                                           |      | 2018                 | 2017    | Change | 2018                  | 2017     | Change |
|                                                           |      | S\$'000              | S\$'000 | %      | S\$'000               | S\$'000  | %      |
| <b>after crediting:</b>                                   |      |                      |         |        |                       |          |        |
| Fair value gain on investment properties                  |      | <b>3,471</b>         | 24,047  | -86%   | <b>3,471</b>          | 24,047   | -86%   |
| Foreign exchange gain (realised)                          | A.9  | -                    | 29      | n/m    | <b>514</b>            | 35       | n/m    |
| Foreign exchange gain (unrealised)                        | A.10 | -                    | 582     | n/m    | <b>339</b>            | 1,449    | -77%   |
| Interest income                                           |      | <b>546</b>           | 779     | -30%   | <b>995</b>            | 1,454    | -32%   |
| Fair value gain on cross currency interest rate swap      | A.11 | -                    | -       | n/m    | -                     | 677      | n/m    |
| <b>after charging:</b>                                    |      |                      |         |        |                       |          |        |
| Depreciation of property, plant and equipment             | A.5  | <b>(1,558)</b>       | (1,789) | -13%   | <b>(3,142)</b>        | (3,544)  | -11%   |
| Amortisation of intangible assets                         |      | <b>(45)</b>          | (5)     | -      | <b>(90)</b>           | (9)      | -      |
| Directors' fees                                           |      | <b>(39)</b>          | (39)    | -      | <b>(77)</b>           | (77)     | -      |
| Foreign exchange loss (realised)                          |      | -                    | (303)   | n/m    | <b>(7)</b>            | (316)    | -98%   |
| Foreign exchange loss (unrealised)                        | A.12 | <b>(889)</b>         | -       | n/m    | <b>(1,162)</b>        | (723)    | 61%    |
| Provision for doubtful debt                               |      | -                    | (11)    | n/m    | -                     | (23)     | n/m    |
| Provision for impairment of long-term loans to associates |      | -                    | (5,197) | n/m    | -                     | (5,197)  | n/m    |
| Interest on borrowings                                    | A.6  | <b>(3,395)</b>       | (3,942) | -14%   | <b>(6,516)</b>        | (7,638)  | -15%   |
| Staff costs (including directors' remuneration)           |      | <b>(5,003)</b>       | (4,917) | 2%     | <b>(10,307)</b>       | (10,180) | 1%     |
| Fair value loss on cross currency interest rate swap      |      | -                    | (732)   | n/m    | -                     | -        |        |

n/m: not meaningful

**Notes to Consolidated Income Statement:**

- A.1 Revenue decreased in 1H2018 and 2Q2018 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 in 1H2018 and 2Q2018 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 1H2018 and 2Q2018 mainly due to higher fair value gain on investment property recorded for 59 Goulburn Street amounting to S\$28.3 million in 2Q2017 as compared to S\$3.5 million fair value gain recorded from NZI Centre.
- A.4 Distribution and selling expenses were higher in 1H2018 and 2Q2018 mainly due to showflats expenses incurred for 120 Grange, Harbour View Gardens and the upcoming projects, Bukit 828 and RV Millenia.
- A.5 Other operating expense decreased in 1H2018 and 2Q2018 mainly due provision made in prior year for impairment (S\$5.2 million) of long-term loans to an associate as a result of higher than expected construction costs for the hotel development project in Perth.
- Depreciation expense decreased in 1H2018 and 2Q2018 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 1H2018 and 2Q2018, finance cost decreased mainly due to repayment of bank loans and partial redemption of MTN Series 1 Note. This was partially offset by loans drawdown for the acquisition of a hotel in Osaka and investment property in New Zealand.
- A.7 Share of results of associates increased in 1H2018 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 definitive sale and purchase agreement on 25 June 2018 for the sale of 117 Clarence Street for AUD153.0 million.
- Share of results of associate increased in 2Q2018 mainly due to fair value gain from 205 Queen Street and share of result from office building at St Kilda Road.
- A.8 The lower tax expense in 1H2018 and 2Q2018 is mainly due to absence of tax provision for the sale of 59 Goulburn Street, which was recorded in 2Q2017.
- A.9 In 1H2018, foreign exchange gain (realised) arose mainly due to conversion of AUD fixed deposit into SGD on its maturity.
- A.10 In 1H2018, foreign exchange gain (unrealised) arose mainly from appreciation of JPY from advances made to subsidiaries. 1H2017 foreign exchange gain (unrealised) arose mainly from depreciation of HKD payable against SGD.
- A.11 The fair value gain on cross currency interest rate swap ("CCS") is recorded in other operating income in 1H2017. The CCS has matured on 17 July 2017.
- A.12 Foreign exchange loss (unrealised) in 1H2018 arose mainly due to depreciation of AUD receivables from subsidiaries and appreciation of HKD payable. 1H2017 foreign exchange loss was mainly due to appreciation of AUD bank borrowings.

- A.13 Non-controlling interests was lower in 1H2018 mainly due to showflat expenses incurred for 120 Grange and Bukit 828 projects. In 1H2017, non-controlling interests comprised mainly profits from Trilive, the contribution from which in 1H2018 was lower mainly due to its Temporary Occupation Permits (“TOP”) obtained in June 2018.

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

|                                                                 | Second quarter ended |         |        | First half year ended |         |        |
|-----------------------------------------------------------------|----------------------|---------|--------|-----------------------|---------|--------|
|                                                                 | 2018                 | 30 June | Change | 2018                  | 30 June | Change |
|                                                                 | S\$'000              | S\$'000 | %      | S\$'000               | S\$'000 | %      |
| <b>Profit after taxation</b>                                    | <b>6,548</b>         | 15,317  | -57%   | <b>13,544</b>         | 21,630  | -37%   |
| <b>Other comprehensive income</b>                               |                      |         |        |                       |         |        |
| Net change in fair value of available-for-sale financial assets | (320)                | 30      | n/m    | (126)                 | 75      | n/m    |
| Tax on other comprehensive income                               | 55                   | (6)     | n/m    | 21                    | (13)    | n/m    |
| Currency translation differences arising from consolidation     | 277                  | (2,247) | n/m    | (6,651)               | 4,848   | n/m    |
| Other comprehensive profit, net of tax                          | 12                   | (2,223) | n/m    | (6,756)               | 4,910   | n/m    |
| <b>Total comprehensive income for the period</b>                | <b>6,560</b>         | 13,094  | -50%   | <b>6,788</b>          | 26,540  | -74%   |
| Attributable to:                                                |                      |         |        |                       |         |        |
| Equity holders of the Company                                   | 6,397                | 12,519  | -49%   | 6,630                 | 25,811  | -74%   |
| Non-controlling interests                                       | 163                  | 575     | -72%   | 158                   | 729     | -78%   |
|                                                                 | <b>6,560</b>         | 13,094  | -50%   | <b>6,788</b>          | 26,540  | -74%   |

- A.14 Currency translation differences in 1H2018 arose mainly from the depreciation of AUD against SGD during the period.

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

|                                              |      | GROUP                |                      | COMPANY              |                      |
|----------------------------------------------|------|----------------------|----------------------|----------------------|----------------------|
|                                              | Note | 30-Jun-18<br>S\$'000 | 31-Dec-17<br>S\$'000 | 30-Jun-18<br>S\$'000 | 31-Dec-17<br>S\$'000 |
| <b>ASSETS</b>                                |      |                      |                      |                      |                      |
| <b>Non-Current</b>                           |      |                      |                      |                      |                      |
| Property, plant and equipment                | B.1  | 223,260              | 215,507              | 816                  | 801                  |
| Intangible assets                            |      | 451                  | 541                  | 409                  | 491                  |
| Investment properties                        |      | 125,480              | 124,191              | -                    | -                    |
| Investment in subsidiaries                   | B.2  | -                    | -                    | 176,380              | 143,180              |
| Investment in associates                     | B.3  | 167,882              | 163,309              | -                    | -                    |
| Amounts due from associates                  | B.3  | 38,254               | 34,876               | -                    | -                    |
| Available-for-sale financial assets          | B.4  | 2,149                | 2,275                | 664                  | 700                  |
|                                              |      | 557,476              | 540,699              | 178,269              | 145,172              |
| <b>Current</b>                               |      |                      |                      |                      |                      |
| Development properties for sale*             | B.5  | 600,433              | 540,584              | -                    | -                    |
| Inventories                                  |      | 1,180                | 1,065                | -                    | -                    |
| Trade receivables                            | B.6  | 123,718              | 53,279               | 30                   | 9                    |
| Other receivables                            | B.7  | 24,852               | 31,054               | 358,039              | 336,084              |
| Cash and bank balances                       |      | 297,325              | 322,460              | 192,908              | 168,220              |
|                                              |      | 1,047,508            | 948,442              | 550,977              | 504,313              |
| <b>Total assets</b>                          |      | 1,604,984            | 1,489,141            | 729,246              | 649,485              |
| <b>EQUITY AND LIABILITIES</b>                |      |                      |                      |                      |                      |
| <b>Capital and Reserves</b>                  |      |                      |                      |                      |                      |
| Share capital                                |      | 47,399               | 47,399               | 47,399               | 47,399               |
| Treasury shares                              |      | (2,488)              | (564)                | (2,488)              | (564)                |
| Fair value reserve                           |      | 208                  | 312                  | 108                  | 138                  |
| Revaluation reserve                          |      | 533                  | 533                  | -                    | -                    |
| Translation reserve                          |      | (11,181)             | (4,527)              | (1,845)              | 768                  |
| Retained earnings                            |      | 463,725              | 459,512              | 186,477              | 174,572              |
| Equity attributable to owners of the Company |      | 498,196              | 502,665              | 229,651              | 222,313              |
| Non-controlling interests                    |      | 4,619                | 5,071                | -                    | -                    |
|                                              |      | 502,815              | 507,736              | 229,651              | 222,313              |
| <b>Liabilities</b>                           |      |                      |                      |                      |                      |
| <b>Non-Current</b>                           |      |                      |                      |                      |                      |
| Bank borrowings                              | B.10 | 317,041              | 318,090              | -                    | -                    |
| Deferred tax liabilities                     | B.9  | 13,280               | 16,475               | 627                  | 643                  |
|                                              |      | 330,321              | 334,565              | 627                  | 643                  |
| <b>Current</b>                               |      |                      |                      |                      |                      |
| Trade and other payables                     | B.8  | 68,692               | 62,211               | 409,381              | 377,055              |
| Provision for taxation                       | B.9  | 27,617               | 30,873               | 359                  | 300                  |
| Bank borrowings                              | B.10 | 675,539              | 553,756              | 89,228               | 49,174               |
|                                              |      | 771,848              | 646,840              | 498,968              | 426,529              |
| <b>Total liabilities</b>                     |      | 1,102,169            | 981,405              | 499,595              | 427,172              |
| <b>Total equity and liabilities</b>          |      | 1,604,984            | 1,489,141            | 729,246              | 649,485              |

\* \$204.1 million (31 December 2017: \$247.3 million) relates to the Group's pre-sold development properties as at 30 June 2018.

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

- B.1 The increase in property, plant and equipment as at 30 June 2018 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 in 1Q2018
- B.3 Investment in associates increased mainly due to share of results from associates and long-term equity loans to newly incorporated associate for acquisition of investment property.
- Amounts due from associates increased mainly due to long-term loans to newly incorporated associates for land acquisitions.
- B.4 Available-for-sale financial assets were valued at \$2.1 million as at 30 June 2018, comprising equity securities listed on the Singapore Exchange.
- B.5 Development properties for sale as at 30 June 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 The Navian, Harbour View Gardens and 120 Grange.
- B.6 Trade receivables comprised mainly progress payments receivable from purchasers and unbilled revenues for the projects which obtained TOP. The increase was mainly due to trade receivables from Trilive which obtained its TOP in June 2018, partially offset by decreased in trade receivables from Jade Residences and LIV on Wilkie which obtained their TOP in 2017.
- B.7 The Group's other receivables comprised mainly deposits, prepayments and other receivables. The decrease was mainly due to receipt of security deposit held by lawyer for sale of 59 Goulbourn Street in 2Q2018. The decrease is also due the transfer of deposits paid for Dunearn Court, Derby Court and Melbourne House to properties for sale under development following the completion of purchase in 1Q2018, partially offset by deposits paid for the development site at Lorong Kismis.
- At Company level, other receivables comprised mainly the amounts due from subsidiaries, deposits, prepayments and other receivables. The increase was mainly due to loans extended to subsidiaries.
- B.8 Trade and other payables comprised mainly of progress claims from contractors, related retention sums held, accruals for construction costs for completed projects, accruals for unbilled contractor progress claims and provision for staff and directors' bonuses. The increase was mainly due to contribution from non-controlling shareholder for deposit paid on development site at 22 Farrer Road.
- At Company level, trade and other payables comprised mainly amounts due to subsidiaries, accrued staff and directors' bonuses and other expenses. The increase was mainly due to loans received from subsidiaries.
- B.9 Deferred tax liability decreased mainly due to transfer from deferred tax provision to current taxation for projects completed in prior years as a result of billing of previously unbilled revenue in 2018. Current provision for taxation decreased mainly due to tax instalment payment.
- B.10 The Group's total borrowings amounted to \$992.6 million, with \$383.5 million repayable within one year and \$609.1 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 acquisition of a commercial and retail building, known as Melbourne House, in Melbourne, Australia during the period.
- At the Company level, total borrowings amounted to \$89.2 million, all repayable within one year. The increase in total borrowings was mainly due to drawdown of working capital loans.



**Roxy-Pacific  
Holdings Limited**

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

|                                                                                                              | 30 June 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                                                                           | 317,041            | -                    | 317,041          | 318,090            | -                    | 318,090          |
| <b>Current</b>                                                                                               |                    |                      |                  |                    |                      |                  |
| - Amounts repayable in one year or less, or on demand                                                        | 343,015 (i) (ii)   | 40,500 (iii)         | 383,515          | 262,417            | 40,500               | 302,917          |
| - Amounts repayable after one year but within the normal operating cycle of the Property Development segment | 292,024            | -                    | 292,024          | 250,839            | -                    | 250,839          |
|                                                                                                              | 635,039            | 40,500               | 675,539          | 513,256            | 40,500               | 553,756          |
|                                                                                                              | 952,080            | 40,500               | 992,580          | 831,346            | 40,500               | 871,846          |

Details of collaterals

Borrowings are secured by:

- a) Land and buildings;
  - b) Guarantee by the Company;
  - c) Development properties for sale;
  - d) Proceeds from sales of properties under development;
  - e) Investment properties;
  - f) Rental income from investment properties; and
  - g) Fixed deposits
- i. \$167.9 million relates to our sold development project properties and is expected to be repaid by 30 June 2019 upon obtaining TOP and collections from buyers of the properties.  
\$88.2 million relates to revolving loans for Grand Mercure Roxy Hotel, Singapore.
  - ii. \$48.7 million loans 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 fully repaid on 20 July 2018.

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

| Note                                                                   | Second quarter ended<br>30 June |                 | First half year ended<br>30 June |                 |
|------------------------------------------------------------------------|---------------------------------|-----------------|----------------------------------|-----------------|
|                                                                        | 2018<br>S\$'000                 | 2017<br>S\$'000 | 2018<br>S\$'000                  | 2017<br>S\$'000 |
| <b>Cash Flows from Operating Activities</b>                            |                                 |                 |                                  |                 |
| Profit before taxation                                                 | 8,772                           | 25,439          | 16,627                           | 34,604          |
| Adjustments for:                                                       |                                 |                 |                                  |                 |
| Depreciation of property, plant and equipment                          | 1,558                           | 1,789           | 3,142                            | 3,544           |
| Amortisation of intangible assets                                      | 45                              | 5               | 90                               | 9               |
| Dividend income from available-for-sale financial assets               | (37)                            | (21)            | (57)                             | (41)            |
| Share of results of associates                                         | (5,573)                         | (4,674)         | (11,356)                         | (7,292)         |
| Provision for doubtful debt                                            | -                               | 11              | -                                | 23              |
| Impairment of investment in associate                                  | -                               | 5,197           | -                                | 5,197           |
| Interest income                                                        | (546)                           | (779)           | (995)                            | (1,454)         |
| Interest expense on bank borrowings                                    | 3,395                           | 3,942           | 6,516                            | 7,638           |
| Net fair value gain on investment properties                           | (3,471)                         | (24,047)        | (3,471)                          | (24,047)        |
| Fair value loss / (gain) on cross currency interest rate swap          | -                               | 732             | -                                | (677)           |
| Net foreign exchange loss / (gain) (unrealised)                        | 890                             | (582)           | 823                              | (726)           |
| Operating profit before working capital changes                        | 5,033                           | 7,012           | 11,319                           | 16,778          |
| Changes in properties for sale under development                       | 42,313                          | 56,690          | (63,051)                         | 66,808          |
| Changes in developed properties for sale                               | -                               | (5,529)         | 4,314                            | (4,478)         |
| Changes in inventories                                                 | (2)                             | (149)           | (116)                            | (171)           |
| Changes in operating receivables                                       | (75,492)                        | (27,357)        | (39,683)                         | (15,214)        |
| Changes in operating payables                                          | (863)                           | (4,358)         | (20,704)                         | (10,432)        |
| Cash (used in) / generated from operations                             | (29,011)                        | 26,309          | (107,921)                        | 53,291          |
| Net income tax paid                                                    | (7,699)                         | (1,188)         | (8,087)                          | (1,217)         |
| Cash (used in) / generated from operating activities                   | C.1 (36,710)                    | 25,121          | (116,008)                        | 52,074          |
| <b>Cash Flows from Investing Activities</b>                            |                                 |                 |                                  |                 |
| Acquisition of property, plant and equipment                           | C.2 (4,170)                     | (2,899)         | (6,575)                          | (5,228)         |
| Investment in associates                                               | C.3 (2,352)                     | -               | (14,626)                         | -               |
| Dividend received from available-for-sale financial assets             | 37                              | -               | 57                               | -               |
| Dividend received from investment in associates                        | 9,070                           | 810             | 21,070                           | 810             |
| Loan and advance to associates                                         | C.4 (4,765)                     | -               | (7,125)                          | -               |
| Repayment from associates                                              | 10                              | 650             | 1,779                            | 650             |
| Interest received                                                      | 419                             | 1,766           | 1,386                            | 2,805           |
| Cash (used in) / generated from investing activities                   | (1,751)                         | 327             | (4,034)                          | (963)           |
| <b>Cash Flows from Financing Activities</b>                            |                                 |                 |                                  |                 |
| Proceeds from borrowings                                               | 101,315                         | 16,647          | 186,211                          | 84,473          |
| Repayment of borrowings                                                | (18,159)                        | (58,944)        | (64,470)                         | (123,141)       |
| Discharge of fixed deposit pledged to banks and financial institutions | 6,000                           | -               | 6,000                            | -               |
| Interest paid                                                          | (7,350)                         | (5,863)         | (13,875)                         | (11,771)        |
| Share buy-back                                                         | (943)                           | -               | (1,924)                          | (9)             |
| Dividend paid to non-controlling shareholders                          | -                               | (250)           | (610)                            | (250)           |
| Dividend paid to owners of the company                                 | (9,176)                         | (13,627)        | (9,176)                          | (13,877)        |
| Cash generated from / (used in) financing activities                   | C.5 71,687                      | (62,037)        | 102,156                          | (64,575)        |

|                                                                  | Second quarter ended<br>30 June |                 | First half year ended<br>30 June |                 |
|------------------------------------------------------------------|---------------------------------|-----------------|----------------------------------|-----------------|
|                                                                  | 2018<br>S\$'000                 | 2017<br>S\$'000 | 2018<br>S\$'000                  | 2017<br>S\$'000 |
| Net (decrease) / increase in cash and cash equivalents           | 33,226                          | (36,589)        | (17,886)                         | (13,464)        |
| Cash and cash equivalents at beginning of period                 | 182,140                         | 260,082         | 234,295                          | 237,280         |
| Effects of foreign currency translation                          | (207)                           | 375             | (1,250)                          | 52              |
| Cash and cash equivalents at end of period                       | 215,159                         | 223,868         | 215,159                          | 223,868         |
| <u>Analysis of cash and cash equivalents:-</u>                   |                                 |                 |                                  |                 |
| Project accounts                                                 | C.6 35,620                      | 26,184          | 35,620                           | 26,184          |
| Fixed deposits in project accounts                               | 9,500                           | 51,500          | 9,500                            | 51,500          |
| Fixed deposits                                                   | 181,675                         | 137,803         | 181,675                          | 137,803         |
| Cash at bank                                                     | 70,530                          | 96,426          | 70,530                           | 96,426          |
| Total cash and bank balances                                     | 297,325                         | 311,913         | 297,325                          | 311,913         |
| Less: Fixed deposits pledged to banks and financial institutions | (82,166)                        | (88,045)        | (82,166)                         | (88,045)        |
|                                                                  | 215,159                         | 223,868         | 215,159                          | 223,868         |

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

- C.1 The net cash outflows from operating activities of \$116.0 million in 1H2018 as compared to net cash inflows of \$52.1 million in 1H2017 was mainly due to acquisition of new development sites in 1H2018.
- C.2 The acquisition of property, plant and equipment mainly related to the development cost for the hotel/resort under retrofitting/construction in Maldives and Chalong.
- C.3 The investment in associates in 1H2018 was related mainly to quasi loans granted for the acquisition of St Kilda office building.
- C.4 Loans and advance to associates in 1H2018 and 2Q2018 was mainly related to long term loans to associate companies in Singapore.
- C.5 The net cash inflows from financing activities of \$102.2 million in 1H2018 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.

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**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)          |
| Balance at 31 March 2018                                        | 47,399                   | (1,545)                    | 473                           | 533                            | (11,458)                       | 466,516                      | 501,918                                                 | 4,456                                | 506,374          |
| Profit for the period                                           | -                        | -                          | -                             | -                              | -                              | 6,385                        | 6,385                                                   | 163                                  | 6,548            |
| <b>Comprehensive income for the period</b>                      | -                        | -                          | -                             | -                              | -                              | 6,385                        | 6,385                                                   | 163                                  | 6,548            |
| <b>Other comprehensive income</b>                               |                          |                            |                               |                                |                                |                              |                                                         |                                      |                  |
| Net change in fair value of available-for-sale financial assets | -                        | -                          | (320)                         | -                              | -                              | -                            | (320)                                                   | -                                    | (320)            |
| Tax on other comprehensive income                               | -                        | -                          | 55                            | -                              | -                              | -                            | 55                                                      | -                                    | 55               |
| Translation Reserve                                             | -                        | -                          | -                             | -                              | -                              | -                            | -                                                       | -                                    | -                |
| Foreign currency translation differences                        | -                        | -                          | -                             | -                              | 277                            | -                            | 277                                                     | -                                    | 277              |
| <b>Total other comprehensive income for the period</b>          | -                        | -                          | (265)                         | -                              | 277                            | -                            | 12                                                      | -                                    | 12               |
| <b>Total comprehensive income for the period</b>                | -                        | -                          | (265)                         | -                              | 277                            | 6,385                        | 6,397                                                   | 163                                  | 6,560            |
| <b>Transactions with owners, recognised directly in equity</b>  |                          |                            |                               |                                |                                |                              |                                                         |                                      |                  |
| <b>Contributions by and distributions to owners</b>             |                          |                            |                               |                                |                                |                              |                                                         |                                      |                  |
| Share buy-back                                                  | -                        | (943)                      | -                             | -                              | -                              | -                            | (943)                                                   | -                                    | (943)            |
| Dividend paid                                                   | -                        | -                          | -                             | -                              | -                              | (9,176)                      | (9,176)                                                 | -                                    | (9,176)          |
| <b>Total transactions with owners</b>                           | -                        | (943)                      | -                             | -                              | -                              | (9,176)                      | (10,119)                                                | -                                    | (10,119)         |
| Balance at 30 June 2018                                         | 47,399                   | (2,488)                    | 208                           | 533                            | (11,181)                       | 463,725                      | 498,196                                                 | 4,619                                | 502,815          |

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| Group                                                           | Share<br>capital<br>S\$'000 | Treasury<br>Shares<br>S\$'000 | Fair value<br>reserve<br>S\$'000 | Translation<br>reserve<br>S\$'000 | Retained<br>earnings<br>S\$'000 | Equity<br>attributable<br>to owners of<br>the Company<br>S\$'000 | Non-<br>controlling<br>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          |
| <b>Total comprehensive income for the period</b>                |                             |                               |                                  |                                   |                                 |                                                                  |                                             |                  |
| 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                                                            | (251)                                       | 7,095            |
| <b>Total other comprehensive income for the period</b>          | -                           | -                             | 38                               | 7,346                             | -                               | 7,384                                                            | (251)                                       | 7,133            |
| <b>Total comprehensive income for the period</b>                | -                           | -                             | 38                               | 7,346                             | 5,908                           | 13,292                                                           | 154                                         | 13,446           |
| <b>Transaction with owners, recognised directly in equity</b>   |                             |                               |                                  |                                   |                                 |                                                                  |                                             |                  |
| <b>Contributions by and distributions to owners</b>             |                             |                               |                                  |                                   |                                 |                                                                  |                                             |                  |
| Share buy-back                                                  | -                           | (9)                           | -                                | -                                 | -                               | (9)                                                              | -                                           | (9)              |
| <b>Total transactions with owners</b>                           | -                           | (9)                           | -                                | -                                 | -                               | (9)                                                              | -                                           | (9)              |
| Balance at 31 March 2017                                        | 47,399                      | (564)                         | 88                               | 5,197                             | 452,426                         | 504,546                                                          | 3,899                                       | 508,445          |
| Profit for the period                                           | -                           | -                             | -                                | -                                 | 14,742                          | 14,742                                                           | 575                                         | 15,317           |
| <b>Comprehensive income for the period</b>                      | -                           | -                             | -                                | -                                 | 14,742                          | 14,742                                                           | 575                                         | 15,317           |
| <b>Other comprehensive income</b>                               |                             |                               |                                  |                                   |                                 |                                                                  |                                             |                  |
| Net change in fair value of available-for-sale financial assets | -                           | -                             | 30                               | -                                 | -                               | 30                                                               | -                                           | 30               |
| Tax on other comprehensive income                               | -                           | -                             | (5)                              | -                                 | -                               | (5)                                                              | -                                           | (5)              |
| Foreign currency translation differences                        | -                           | -                             | -                                | (2,247)                           | -                               | (2,247)                                                          | -                                           | (2,247)          |
| <b>Total other comprehensive income for the period</b>          | -                           | -                             | 25                               | (2,247)                           | -                               | (2,222)                                                          | -                                           | (2,222)          |
| <b>Total comprehensive income for the period</b>                | -                           | -                             | 25                               | (2,247)                           | 14,742                          | 12,520                                                           | 575                                         | 13,095           |
| <b>Transaction with owners, recognised directly in equity</b>   |                             |                               |                                  |                                   |                                 |                                                                  |                                             |                  |
| <b>Contributions by and distributions to owners</b>             |                             |                               |                                  |                                   |                                 |                                                                  |                                             |                  |
| Dividend paid                                                   | -                           | -                             | -                                | -                                 | (13,878)                        | (13,878)                                                         | -                                           | (13,878)         |
| <b>Total transactions with owners</b>                           | -                           | -                             | -                                | -                                 | (13,878)                        | (13,878)                                                         | -                                           | (13,878)         |
| <b>Balance at 30 June 2017</b>                                  | 47,399                      | (564)                         | 113                              | 2,950                             | 453,290                         | 503,188                                                          | 4,474                                       | 507,662          |

| <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                  |
| <b>Total comprehensive income for the period</b>                |                                  |                                    |                                       |                                        |                                      |                          |
| Profit for the period                                           | -                                | -                                  | -                                     | -                                      | 16,358                               | 16,358                   |
| <b>Comprehensive income for the period</b>                      | -                                | -                                  | -                                     | -                                      | 16,358                               | 16,358                   |
| <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)                    |
| Balance at 31 March 2018                                        | 47,399                           | (1,545)                            | 367                                   | (1,925)                                | 190,930                              | 235,226                  |
| Profit for the period                                           | -                                | -                                  | -                                     | -                                      | 4,723                                | 4,723                    |
| <b>Comprehensive income for the period</b>                      | -                                | -                                  | -                                     | -                                      | 4,723                                | 4,723                    |
| <b>Other comprehensive income</b>                               |                                  |                                    |                                       |                                        |                                      |                          |
| Net change in fair value of available-for-sale financial assets | -                                | -                                  | (259)                                 | -                                      | -                                    | (259)                    |
| Foreign currency translation difference                         | -                                | -                                  | -                                     | 80                                     | -                                    | 80                       |
| <b>Total other comprehensive income for the period</b>          | -                                | -                                  | (259)                                 | 80                                     | -                                    | (179)                    |
| <b>Total comprehensive income for the period</b>                | -                                | -                                  | (259)                                 | 80                                     | 4,723                                | 4,544                    |
| <b>Transactions with owners, recognised directly in equity</b>  |                                  |                                    |                                       |                                        |                                      |                          |
| <b>Contributions by and distributions to owners</b>             |                                  |                                    |                                       |                                        |                                      |                          |
| Share buy-back                                                  | -                                | (943)                              | -                                     | -                                      | -                                    | (943)                    |
| Dividend paid                                                   | -                                | -                                  | -                                     | -                                      | (9,176)                              | (9,176)                  |
| <b>Total transactions with owners</b>                           | -                                | (943)                              | -                                     | -                                      | (9,176)                              | (10,119)                 |
| Balance at 30 June 2018                                         | 47,399                           | (2,488)                            | 108                                   | (1,845)                                | 186,477                              | 229,651                  |

| <b>Company</b>                                                 | <b>Share<br/>capital<br/>S \$'000</b> | <b>Treasury<br/>shares<br/>S \$'000</b> | <b>Translation<br/>reserve<br/>S \$'000</b> | <b>Retained<br/>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                   |
| <b>Total comprehensive income for the period</b>               |                                       |                                         |                                             |                                           |                           |
| 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 difference                        | -                                     | -                                       | 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)                       |
| Balance at 31 March 2017                                       | 47,399                                | (564)                                   | 7,313                                       | 81,982                                    | 136,130                   |
| Profit for the period                                          | -                                     | -                                       | -                                           | 13,261                                    | 13,261                    |
| <b>Comprehensive income for the period</b>                     | -                                     | -                                       | -                                           | 13,261                                    | 13,261                    |
| <b>Other comprehensive income</b>                              |                                       |                                         |                                             |                                           |                           |
| Foreign currency translation differences                       | -                                     | -                                       | (1,511)                                     | -                                         | (1,511)                   |
| <b>Total other comprehensive income for the period</b>         | -                                     | -                                       | (1,511)                                     | -                                         | (1,511)                   |
| <b>Total comprehensive income for the period</b>               | -                                     | -                                       | (1,511)                                     | 13,261                                    | 11,750                    |
| <b>Transactions with owners, recognised directly in equity</b> |                                       |                                         |                                             |                                           |                           |
| <b>Contributions by and distributions to owners</b>            |                                       |                                         |                                             |                                           |                           |
| Share buy-back                                                 | -                                     | -                                       | -                                           | -                                         | -                         |
| Dividend paid                                                  | -                                     | -                                       | -                                           | (13,878)                                  | (13,878)                  |
| <b>Total transactions with owners</b>                          | -                                     | -                                       | -                                           | (13,878)                                  | (13,878)                  |
| <b>Balance at 30 June 2017</b>                                 | 47,399                                | (564)                                   | 5,802                                       | 81,365                                    | 134,002                   |



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**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**

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

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

|                              | 30 June 2018<br>No. of Shares | 30 June 2017<br>No. of Shares |
|------------------------------|-------------------------------|-------------------------------|
| <b>Treasury shares:</b>      |                               |                               |
| As at beginning of period    | 3,105,000                     | 1,326,500                     |
| Purchase of treasury shares  | 1,873,400                     | -                             |
| Bonus issue on 24 April 2018 | 345,500                       | -                             |
| As at end of period          | 5,323,900                     | 1,326,500                     |

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

|                                                                       | 30 June 2018  | 31 December 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                                           | (3,651,900)   | (20,000)         |
| Bonus issue                                                           | 119,354,850   | -                |
| Bonus issue on treasury shares                                        | (345,500)     | -                |
| Total number of shares as at the end of period net of treasury shares | 1,307,580,944 | 1,192,223,494    |

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

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

Not applicable.

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

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

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

Not applicable.

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

For the current financial reporting period ended 30 June 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.

**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                                  | Second quarter ended<br>30 June |                | First half year ended<br>30 June |                |
|------------------------------------------------------------------------------|---------------------------------|----------------|----------------------------------|----------------|
|                                                                              | 2018                            | 2017           | 2018                             | 2017           |
|                                                                              |                                 | *(as restated) |                                  | *(as restated) |
| (a) Based on the weighted average number of ordinary shares on issue (cents) | <b>0.49</b>                     | 1.12           | <b>1.02</b>                      | 1.57           |
| (b) On fully diluted basis (cents)                                           | <b>0.49</b>                     | 1.12           | <b>1.02</b>                      | 1.57           |
| Profit attributable to shareholders of the Company (\$'000)                  | <b>6,385</b>                    | 14,742         | <b>13,389</b>                    | 20,650         |
| Weighted average number of shares ('000)                                     | <b>1,309,912</b>                | 1,311,234      | <b>1,309,912</b>                 | 1,311,234      |

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

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

**(a) current financial period reported on; and**

**(b) immediately preceding financial year**

|                                                                                                                                               | Group        |           | Company      |           |
|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------|--------------|-----------|
|                                                                                                                                               | 30-Jun-18    | 31-Dec-17 | 30-Jun-18    | 31-Dec-17 |
| Net asset value per ordinary shares based on total issued 1,307,580,944 ordinary shares (cents) (2017: 1,192,223,494 ordinary shares (cents)) | <b>38.10</b> | 42.16     | <b>17.56</b> | 18.65     |

The Group adopts the cost model under *FRS16 Property, Plant and Equipment*, and measures its property, plant and equipment at cost less depreciation and impairment loss. If it had applied the fair value model under *FRS16*, a revaluation surplus would arise as a result of the excess of the fair value of its hotel properties (includes Grand Mercure Roxy Hotel in Singapore, Noku Kyoto Hotel in Kyoto, Japan, Osaka Hotel in Osaka, Japan, hotel property in Phuket, Thailand and resorts property in Maldives) and own use premises, over their carrying amounts. As at 30 June 2018, our directors estimated that the fair value of these properties to be \$683.3 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 \$488.4 million (31 December 2017: \$490.3 million). Had this revaluation surplus been recorded, the Group's adjusted net asset value ("ANAV") per share would have been as follows:

**Group**  
**30-Jun-18                      31-Dec-17**

ANAV per ordinary share based on total issued  
1,307,580,944 ordinary shares (cents) (2017: 1,192,223,494  
ordinary shares (cents))

75.45                      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                                                         | Second quarter ended<br>30-June |             |                 | Change<br>Increase/<br>(Decrease) |               | First half year ended<br>30-June |             |                 | Change<br>Increase/<br>(Decrease) |               |
|---------------------------------------------------------------|---------------------------------|-------------|-----------------|-----------------------------------|---------------|----------------------------------|-------------|-----------------|-----------------------------------|---------------|
|                                                               | 2018<br>S\$'000                 |             | 2017<br>S\$'000 |                                   | %             | 2018<br>S\$'000                  |             | 2017<br>S\$'000 |                                   | %             |
| <b>REVENUE</b>                                                |                                 |             |                 |                                   |               |                                  |             |                 |                                   |               |
| Property Development                                          | 22,382                          | 60%         | 63,784          | 82%                               | -65%          | 54,013                           | 65%         | 115,523         | 81%                               | -53%          |
| Hotel Ownership                                               | 12,532                          | 34%         | 10,902          | 14%                               | 15%           | 25,185                           | 30%         | 21,386          | 15%                               | 18%           |
| Property Investment                                           | 2,067                           | 6%          | 3,126           | 4%                                | -34%          | 4,097                            | 5%          | 6,333           | 4%                                | -35%          |
|                                                               | <b>36,981</b>                   | <b>100%</b> | <b>77,812</b>   | <b>100%</b>                       | <b>-52%</b>   | <b>83,295</b>                    | <b>100%</b> | <b>143,242</b>  | <b>100%</b>                       | <b>-42%</b>   |
| <b>GROSS PROFIT</b>                                           |                                 |             |                 |                                   |               |                                  |             |                 |                                   |               |
| Property Development                                          | 4,899                           | 39%         | 5,566           | 40%                               | -12%          | 10,358                           | 40%         | 13,977          | 46%                               | -26%          |
| Hotel Ownership                                               | 6,582                           | 52%         | 5,995           | 44%                               | 10%           | 12,969                           | 50%         | 11,628          | 39%                               | 12%           |
| Property Investment                                           | 1,148                           | 9%          | 2,196           | 16%                               | -48%          | 2,659                            | 10%         | 4,471           | 15%                               | -41%          |
|                                                               | <b>12,629</b>                   | <b>100%</b> | <b>13,757</b>   | <b>100%</b>                       | <b>-8%</b>    | <b>25,986</b>                    | <b>100%</b> | <b>30,076</b>   | <b>100%</b>                       | <b>-14%</b>   |
| <b>GROSS PROFIT MARGIN (%)</b>                                |                                 |             |                 |                                   |               |                                  |             |                 |                                   |               |
| Property Development                                          | 22%                             |             | 9%              |                                   | 13 ppt        | 19%                              |             | 12%             |                                   | 7 ppt         |
| Hotel Ownership                                               | 53%                             |             | 55%             |                                   | -2 ppt        | 51%                              |             | 54%             |                                   | -3 ppt        |
| Property Investment                                           | 56%                             |             | 70%             |                                   | -14 ppt       | 65%                              |             | 71%             |                                   | -6 ppt        |
| Total                                                         | <b>34%</b>                      |             | <b>18%</b>      |                                   | <b>16 ppt</b> | <b>31%</b>                       |             | <b>21%</b>      |                                   | <b>10 ppt</b> |
| <b>ADJUSTED EBITDA</b>                                        |                                 |             |                 |                                   |               |                                  |             |                 |                                   |               |
| Property Development                                          | 2,448                           | 16%         | 5,883           | 16%                               | -58%          | 5,781                            | 21%         | 15,366          | 30%                               | -62%          |
| Hotel Ownership                                               | 2,607                           | 17%         | 2,236           | 6%                                | 17%           | 5,329                            | 19%         | 4,075           | 8%                                | 31%           |
| Property Investment - Rental income                           | 960                             | 6%          | 1,806           | 5%                                | -47%          | 1,908                            | 7%          | 3,557           | 7%                                | -46%          |
| Property Investment - Fair value gain                         | 3,471                           | 23%         | 24,047          | 65%                               | -86%          | 3,471                            | 12%         | 24,047          | 48%                               | -86%          |
| Property Investment - Share of result of associates           | 5,773                           | 38%         | 3,096           | 8%                                | 86%           | 11,458                           | 41%         | 3,553           | 7%                                | 222%          |
|                                                               | <b>15,259</b>                   | <b>100%</b> | <b>37,068</b>   | <b>100%</b>                       | <b>-59%</b>   | <b>27,947</b>                    | <b>100%</b> | <b>50,598</b>   | <b>100%</b>                       | <b>-45%</b>   |
| <b>PROFIT BEFORE TAX</b>                                      |                                 |             |                 |                                   |               |                                  |             |                 |                                   |               |
| Adjusted EBITDA                                               | 15,259                          |             | 37,068          |                                   | -59%          | 27,947                           |             | 50,598          |                                   | -45%          |
| Corporate expenses                                            | (1,190)                         |             | (1,330)         |                                   | -11%          | (1,834)                          |             | (2,472)         |                                   | -26%          |
| Depreciation of property, plant and equipment                 | (1,558)                         |             | (1,789)         |                                   | -13%          | (3,142)                          |             | (3,544)         |                                   | -11%          |
| Impairment of long-term loan to associate                     | -                               |             | (5,197)         |                                   | n/m           | -                                |             | (5,197)         |                                   | n/m           |
| Net interest expense                                          | (2,849)                         |             | (3,163)         |                                   | -10%          | (5,521)                          |             | (6,184)         |                                   | -11%          |
| Net unrealised foreign exchange gain / (loss)                 | (890)                           |             | 582             |                                   | n/m           | (823)                            |             | 726             |                                   | n/m           |
| Fair value gain / (loss) on cross currency interest rate swap | -                               |             | (732)           |                                   | -100%         | -                                |             | 677             |                                   | -100%         |
|                                                               | <b>8,772</b>                    |             | <b>25,439</b>   |                                   | <b>-66%</b>   | <b>16,627</b>                    |             | <b>34,604</b>   |                                   | <b>-52%</b>   |

n/m: not meaningful

## (ii) Geographical segments

|                           | Singapore      | Australia      | Japan         | Thailand      | Malaysia      | Hong Kong     | Indonesia    | Maldives      | New Zealand   | Total            |
|---------------------------|----------------|----------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|------------------|
|                           | \$'000         | \$'000         | \$'000        | \$'000        | \$'000        | \$'000        | \$'000       | \$'000        | \$'000        | \$'000           |
| <b>Revenue</b>            |                |                |               |               |               |               |              |               |               |                  |
| Second quarter ended      |                |                |               |               |               |               |              |               |               |                  |
| <b>30 June 2018</b>       | <b>32,163</b>  | <b>0</b>       | <b>2,920</b>  | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>     | <b>220</b>    | <b>1,678</b>  | <b>36,981</b>    |
| 30 June 2017              | 73,537         | 2,715          | 1,471         | -             | -             | -             | -            | 89            | -             | 77,812           |
| Half year ended           |                |                |               |               |               |               |              |               |               |                  |
| <b>30 June 2018</b>       | <b>73,863</b>  | <b>35</b>      | <b>4,891</b>  | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>     | <b>1,232</b>  | <b>3,274</b>  | <b>83,295</b>    |
| 30 June 2017              | 135,296        | 5,507          | 2,198         | -             | -             | -             | -            | 241           | -             | 143,242          |
| <b>Non-current assets</b> |                |                |               |               |               |               |              |               |               |                  |
| <b>As at 30 June 2018</b> | <b>163,011</b> | <b>129,767</b> | <b>71,984</b> | <b>29,241</b> | <b>19,224</b> | <b>23,919</b> | <b>3,756</b> | <b>52,013</b> | <b>64,561</b> | <b>557,476</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 30 June 2018</b> | <b>943,362</b> | <b>384,349</b> | <b>76,827</b> | <b>31,615</b> | <b>19,224</b> | <b>23,920</b> | <b>3,757</b> | <b>54,527</b> | <b>67,403</b> | <b>1,604,984</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 \$83.3 million in 1H2018, 42% lower than \$143.2 million in 1H2017. For 2Q2018, the Group achieved revenue of \$37.0 million, 52% lower than \$77.8 million in 2Q2017. 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 65% of the Group's turnover in 1H2018, decreased 53% to \$54.0 million in 1H2018 from \$115.5 million in 1H2017. For 2Q2018, revenue from Property Development segment made up 61% of Group's turnover, decreased 65% to \$22.4 million in 2Q2018 from \$63.8 million in 2Q2017. The decrease was largely due to lower revenue recognition from Trilive, which was TOP in June 2018, and absence of revenue recognition from Jade Residences, Whitehaven and LIV on Wilkie following the completion of these projects in 2017. The decrease was partially offset by higher revenue recognition on construction progress and sales of The Navian and Straits Mansions. Although the Group has made good progress in the sales and construction of its projects in Australia 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 30% to the Group's turnover in 1H2018, registered \$25.2 million in revenue as compared to \$21.4 million in 1H2017. For 2Q2018, Hotel Ownership segment contributed 34% to the Group's turnover, registered \$12.5 million in revenue as compared to \$10.9 million in 2Q2017. The increase 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 5% of the Group's turnover and contributed \$4.1 million in 1H2018 as compared to \$6.3 million in 1H2017. For 2Q2018, revenue from Property Investment segment contributed \$2.1 million as compared to \$3.1 million in 2Q2017. 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 49% to \$57.3 million in 1H2018 from \$113.2 million in 1H2017. In 2Q2018, cost of sales decreased by 62% to \$24.4 million from \$64.1 million in 2Q2017.



## Roxy-Pacific Holdings Limited

Gross profit from the Property Development segment contributed \$10.4 million or 40% of the Group's total gross profit in 1H2018, while the remaining 60% or \$15.6 million was contributed by the Hotel Ownership and Property Investment segments. Gross profit margin from the Property Development segment was 19% in 1H2018, as compared to 12% in 1H2017 mainly due to higher profit margin from Straits Mansions. The gross profit margin of the Hotel Ownership segment decreased 3 percentage points to 51% in 1H2018 mainly due lower margin from Maldives. Gross profit margin of the Property Investment segment was 65% in 1H2018 as compared to 71% in 1H2017 mainly due to adjustment of cost on 59 Goulburn Street in 2Q2018.

In 2Q2018, gross profit from the Property Development segment contributed \$4.9 million or 39% of the Group's total gross profit, with the remaining 61% or \$7.7 million contributed by the Hotel Ownership and Property Investment segments. Gross profit margin from the Property Development segment was 22% in 2Q2018, as compared to 9% in 2Q2017 mainly due to higher profit margin from Straits Mansions and Trilive. The gross profit margin of the Hotel Ownership segment decreased 2 percentage points to 53% in 2Q2018 as compared to 55% in 2Q2017 mainly due to lower margin from Maldives. Gross profit margin of the Property Investment segment decreased 14 percentage points to 56% in 2Q2018 from 70% in 2Q2017 due to adjustment of cost on 59 Goulburn Street in 2Q2018.

The Group's overall gross profit margin in 1H2018 was 31%, higher than the 21% recorded in 1H2017 mainly due to higher contribution from Hotel Ownership segment which has a higher profit margin. For 2Q2018, the Group's overall gross profit margin was 34%, compared with 18% in 2Q2017.

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

**(b). any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

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

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

The Group's performance for the period under review is in line with expectations disclosed in the announcement of results for the first quarter ended 31 March 2018.

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

Latest flash estimates from the Ministry of Trade and Industry showed that Singapore's economy expanded 3.8 per cent year-on-year in the second quarter of 2018. This was a moderation from the 4.3% year-on-year growth in the first quarter of 2018. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a slower pace of 1.0 per cent compared to the 1.5 per cent growth in the preceding quarter.<sup>1</sup>

Australia's economy also posted growth – its economy grew 1.0% in 1Q2018 on seasonally-adjusted basis<sup>2</sup>. The Reserve Bank of Australia had projected that the country's GDP will grow around 3.0% on average for the year ending December 2018<sup>3</sup>.

In Japan, the economy contracted 0.6% quarter-on-quarter in 1Q2018 while full-year GDP growth is forecasted at 1.1%<sup>4</sup>.

<sup>1</sup> Ministry of Trade and Industry Singapore, July 13, 2018 – [Singapore's GDP Grew by 3.8 Per Cent in the Second Quarter of 2018](#)

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

<sup>3</sup> Reserve Bank of Australia, February 2018 – [Statement on Monetary Policy, Table 6.1: Output Growth and Inflation Forecasts](#)

<sup>4</sup> DBS Treasures Research, May 16, 2018 – [Japan: Recovery intact but faces more risks](#)



## Property Development

### Singapore

Latest statistics from the Urban Redevelopment Authority (“URA”) showed a 3.4% increase in the prices of private residential properties in 2Q2018, compared to the 3.9% increase in 1Q2018<sup>5</sup>. This marks the fourth consecutive quarter of price increase and leaves the URA’s overall private residential price index at just 3.6% below its last peak of 3Q2013 and 9.1% above the last trough of 2Q2017.

Recently, the Government announced a raise of Additional Buyer’s Stamp Duty (ABSD) rates and tightening of Loan-to-Value (LTV) limits to cool the property market and keep prices increases aligned with economic fundamentals<sup>6</sup>. While the cooling measures could slow market developments, it does not equate a total standstill – analysts believe that the market is still in the nascent stage of recovery and to buyers, the adjusted property prices may still be affordable and cooling measures are unlikely to dampen the market psychology severely<sup>7</sup>. Furthermore, majority of the buyers are first-timers who are less affected by the cooling measures in terms of ABSD hikes, discounting the slight reduction in borrowing.

The Group will continue to monitor the market closely in view of its planned upcoming property launches, and continue to exercise prudence in site acquisitions.

### Australia

In Australia, the price index for residential properties for the weighted average of eight capital cities rose 2.0% to the March quarter 2018 on a year-on-year basis albeit a 0.7% decline on a quarter-on-quarter basis. During the quarter, Sydney and Brisbane registered a 2.0% and 6.2% growth on a year-on-year basis, although both cities registered a decline of 0.7% and 0.6% on a quarter-on-quarter basis, respectively<sup>8</sup>. Residential prices in Australia have been facing headwinds such as tougher rules from regulators and a tightening in borrowing standards by lenders resulting in a pullback on demand<sup>9</sup>.

The Group’s residential development projects in Sydney have received warm reception – The Hensley and Octavia are only left with two units and one unit for sale respectively, while West End Glebe that was launched in two phases is currently overall 80% sold.

Pre-sales for the New World Towers project in Brisbane, in which the Group has 40% stake, have been stagnant after achieving 124 units sales during the phase 1 launch. Given the existing weak residential market fundamentals in Brisbane, the joint venture parties are currently reviewing the various options for the 435-units project which includes delaying its subsequent launches. On prudence, the Group has not included the units pre-sold for this project in the pre-sale revenue table as disclosed in the following page.

<sup>5</sup> Urban Redevelopment Authority, July 27, 2018 – [Release of 2<sup>nd</sup> Quarter 2018 real estate statistics](#)

<sup>6</sup> Monetary Authority of Singapore, July 5, 2018 – [Raising Additional Buyer’s Stamp Duty Rates and Tightening Loan-to-Value Limits to Promote a Stable and Sustainable Property Market](#)

<sup>7</sup> Business Times, July 10, 2018 – [What cooling measures? Weekend buyers still flocking to showflats](#)

<sup>8</sup> Australian Bureau of Statistics, Mar 2018 - [Residential Property Price Indexes: Eight Capital Cities](#)

<sup>9</sup> Business Times, July 3, 2018 – [Aussie home prices slide for 9<sup>th</sup> month in June](#)

As at 20 July 2018, based on units sold from the following ongoing development projects, the Group has total attributable pre-sale revenue of \$605.0 million, the profits of which will be recognised from 3Q2018 to FY2021.

| Project name                           | Type of development | Group stake % | Total units in project Unit | Unit sold % | Attributable total sale value (i) (ii) \$'m | Attributable revenue recognised up to 30 June 2018 \$'m | Balance attributable progress billings to be recognised from 3Q2018 \$'m |
|----------------------------------------|---------------------|---------------|-----------------------------|-------------|---------------------------------------------|---------------------------------------------------------|--------------------------------------------------------------------------|
| <b>Singapore</b>                       |                     |               |                             |             |                                             |                                                         |                                                                          |
| 1 Straits Mansions                     | Residential         | 100%          | 25                          | 100%        | \$ 48.2                                     | \$ 41.7                                                 | \$ 6.5                                                                   |
| 2 The Navian <sup>(iii)</sup>          | Residential         | 100%          | 48                          | 85%         | \$ 48.6                                     | \$ 3.0                                                  | \$ 45.6                                                                  |
| 3 Harbour View Gardens <sup>(iv)</sup> | Residential         | 100%          | 57                          | 96%         | \$ 70.6                                     | -                                                       | \$ 70.6                                                                  |
| 4 120 Grange <sup>(v)</sup>            | Residential         | 90%           | 56                          | 71%         | \$ 65.4                                     | -                                                       | \$ 65.4                                                                  |
| <b>Malaysia</b>                        |                     |               |                             |             |                                             |                                                         |                                                                          |
| 5 Wisma Infinitum - The Colony         | Residential         | 47%           | 423                         | 68%         | \$ 50.5                                     | -                                                       | \$ 50.5                                                                  |
| Wisma Infinitum - The Luxe             | Residential         | 47%           | 300 <sup>(vi)</sup>         | 35%         | \$ 22.8                                     | -                                                       | \$ 22.8                                                                  |
| <b>Australia</b>                       |                     |               |                             |             |                                             |                                                         |                                                                          |
| <b>Sydney</b>                          |                     |               |                             |             |                                             |                                                         |                                                                          |
| 6 The Hensley, Potts Point             | Residential         | 100%          | 44                          | 95%         | \$ 69.4                                     | -                                                       | \$ 69.4                                                                  |
|                                        | Shop                | 100%          | 1                           | 100%        | \$ 1.1                                      | -                                                       | \$ 1.1                                                                   |
| 7 Octavia, Killara                     | Residential         | 100%          | 43                          | 98%         | \$ 48.3                                     | -                                                       | \$ 48.3                                                                  |
| 8 West End Glebe, Tower 1 (Foundry)    | Residential         | 100%          | 140                         | 87%         | \$ 142.9                                    | -                                                       | \$ 142.9                                                                 |
| West End Glebe, Tower 2 (Art House)    | Residential         | 100%          | 91                          | 74%         | \$ 81.9                                     | -                                                       | \$ 81.9                                                                  |
| <b>Total</b>                           |                     |               | <b>1,228</b>                |             | <b>\$ 649.7</b>                             | <b>\$ 44.7</b>                                          | <b>\$ 605.0</b>                                                          |

(i) For Singapore projects, sale value is based on Option to Purchase granted up to 20 July 2018

(ii) For overseas projects, sale value is based on contract signed up to 20 July 2018

(iii) Launched in January 2018

(iv) Launched in April 2018

(v) Launched in June 2018

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



## Roxy-Pacific Holdings Limited

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

|              | Project name/ Location                          | Proposed Development                 | Approximate Land Area (sqf) | Approximate Gross Floor Area (sqf) | Group's stake | Approximate Attributable Gross Floor Area (sqf) | Approximate Attributable Land Cost (SGD) |
|--------------|-------------------------------------------------|--------------------------------------|-----------------------------|------------------------------------|---------------|-------------------------------------------------|------------------------------------------|
| 1            | Bukit 828                                       | 34 units of Residential Development  | 10,258                      | 25,640                             | 80%           | 20,512                                          | \$13.6                                   |
| 2            | RV Millenia                                     | 140 units of Residential Development | 28,793                      | 80,632                             | 100%          | 80,632                                          | \$110.0                                  |
| 3            | Arena Residences                                | 98 units of Residential Development  | 26,454                      | 74,072                             | 50%           | 37,036                                          | \$28.3 <sup>(2)</sup>                    |
| 4            | 386/A/B, 388/A/B, 390/A/B, 392/A/B Dunearn Road | 35 units of Residential Development  | 19,203                      | 26,884                             | 100%          | 26,884                                          | \$36.3                                   |
| 5            | 5 Derbyshire Road                               | 71 units of Residential Development  | 18,506                      | 53,154                             | 100%          | 53,154                                          | \$73.9                                   |
| 6            | 15, 17 & 19 Lorong Kismis                       | 186 units of Residential Development | 100,336                     | 140,470                            | 60%           | 84,282                                          | \$78.5 <sup>(3)</sup>                    |
| 7            | 22 Farrer Road <sup>(1)</sup>                   | 86 units of Residential Development  | 39,130                      | 64,310                             | 40%           | 25,724                                          | \$39.5                                   |
| 8            | 27 Moulmein Rise                                | 87 units of Residential Development  | 22,198                      | 65,585                             | 50%           | 32,793                                          | \$53.0                                   |
| <b>Total</b> |                                                 | <b>737 units</b>                     | <b>264,879</b>              | <b>530,747</b>                     |               | <b>361,016</b>                                  | <b>\$433.1</b>                           |

(1) 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

(2) Includes state land cost

(3) Included estimated development charge / top up lease premium

Following the Group's acquisition of a freehold residential site at 27 Moulmein Rise in May 2018, it currently has eight development sites in Singapore as its land bank, of which Roxy-Pacific plans to launch five development sites for sale in FY2018, depending on market conditions.

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") showed a 6.7% year-on-year growth in international visitor arrivals for the first four months of 2018<sup>10</sup>. Hotel statistics also showed a positive growth – average occupancy rate grew 1.4%, total room revenue jumped 9.4%, average room rates increased 2.8% while revenue per available room rose 4.4%<sup>11</sup>.

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>10</sup> Singapore Tourism Board, June 19, 2018 – [International Visitor Arrivals Statistics](#)

<sup>11</sup> Singapore Tourism Board, June 19, 2018 – [Hotel Statistics 2018](#)

According to Japan National Tourism Organisation, 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. For the month of May 2018, it has reached 2.675 million (+16.6% from the previous year) <sup>12</sup>.

The Group's flagship Grand Mercure Singapore Roxy hotel, and self-managed boutique hotels in Japan – Noku Kyoto and Noku Osaka – continue to contribute healthy recurring income while its resort in Maldives, Noku Maldives, which commenced operations in December 2017, has received warm reception since its soft opening and has maintained strong occupancy, notwithstanding last stages of ongoing renovations. It is expected to be in full operation by September 2018, while its counterpart in Phuket is targeted to open in 2019.

#### Property Investment

For the Australian office sector, 1Q2018 saw a 4% rise in the NAB Commercial Property Index, with expectations for the overall property market to continue growing in the next 1 to 2 years, except for Queensland. New South Wales and Victoria is expected to lead the growth, while Western Australia is expected to improve the most <sup>13</sup>.

The Group has recently divested 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 redeploy capital into other yield-accretive investments. The sale is expected to complete on 17 August 2018.

With the divestment of 59 Goulburn Street, the proceeds was redeployed 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 the financial year ending 31 December 2018.

### **11. Dividend**

#### **(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

| <u>Name of Dividend</u> | <u>Interim</u>                 |
|-------------------------|--------------------------------|
| Dividend Type           | Cash (Ordinary)                |
| Dividend Rate           | 0.195 cents per ordinary share |
| Tax Rate                | Tax exempt (one-tier tax)      |

#### **(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

| <u>Name of Dividend</u> | <u>Interim</u>                   |
|-------------------------|----------------------------------|
| Dividend Type           | Cash (Ordinary)                  |
| Dividend Rate           | 0.214 cents per ordinary share * |
| Tax Rate                | Tax exempt (one-tier tax)        |

\*before the bonus shares issued on 24 April 2018

<sup>12</sup> Japan National Tourism Organisation – [Japan Tourism Statistics](#)

<sup>13</sup> National Australia Bank, April 18, 2018 – [NAB Quarterly Australian Commercial Property Survey Q1 2018](#)



**Roxy-Pacific  
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**(c) Date payable**

30 August 2018

**(d) Books closure date**

20 August 2018

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

Not applicable.

**13. Interested Person Transactions**

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

31<sup>st</sup> July 2018  
Singapore



**Roxy-Pacific  
Holdings Limited**

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

We confirm on behalf of the Board of Directors that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company for the financial period ended 30 June 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

31<sup>st</sup> July 2018  
Singapore