Roxy-Pacific
Holdings Limited

ROXY-PACIFIC HOLDINGS LIMITED

(Registration Number: 196700135Z)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

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TABLE OF CONTENTS

Item No	Description	Page No
1(a)	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3 to 6
1(b) (i)	STATEMENTS OF FINANCIAL POSITION	7 to 8
1(b) (ii)	GROUP'S BORROWINGS AND DEBT SECURITIES	9
1(c)	CONSOLIDATED STATEMENT OF CASH FLOWS	10 to 11
1(d) (i)	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	12 to 13
1(d) (ii)	SHARE CAPITAL	14
1(d) (iii)	TOTAL NUMBER OF ISSUED SHARES	14
1(d) (iv)	TREASURY SHARES	14
2	AUDIT	14
3	AUDITORS' REPORT	14
4	ACCOUNTING POLICIES	14
5	CHANGES IN ACCOUNTING POLICIES	15
6	EARNINGS PER ORDINARY SHARE (EPS)	15
7	NET ASSET VALUE PER SHARE	16
8	REVIEW OF GROUP PERFORMANCE	17 to 19
9	VARIANCE FROM PREVIOUS PROSPECTS STATEMENT	19
10	PROSPECTS	19 to 22
11, 12	DIVIDEND	23
13	INTEREST PERSON TRANSACTIONS	23
14	CONFIRMATION OF PROCUREMENT OF UNDERTAKINGS FROM ALL DIRECTORS AND EXECUTIVE OFFICERS	23
15	CONFIRMATION PURSUANT TO RULE 705 (5) OF THE LISTING MANUAL	24

Roxy-Pacific
Holdings Limited

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

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

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

Consolidated Income Statement

	Note	First quarter ended 31 March		
		2019 S$'000	2018 S$'000 (Restated)	Change %
Revenue	A.1	**88,520**	46,449	91%
Cost of sales	A.2	**(66,967)**	(31,746)	111%
Gross profit	A.2	**21,553**	14,703	47%
Other operating income	A.3	**2,499**	2,037	23%
Distribution and selling expenses	A.4	**(3,405)**	(2,210)	54%
Administrative expenses		**(2,165)**	(2,083)	4%
Other operating expenses	A.5	**(5,530)**	(5,983)	-8%
Finance costs	A.6	**(5,612)**	(4,054)	38%
Share of results of associates (net of income tax)	A.7	**(94)**	6,113	n/m
Profit before taxation		**7,246**	8,523	-15%
Taxation	A.8	**(2,372)**	(859)	176%
Profit after taxation		**4,874**	7,664	-36%
Attributable to:				
Equity holders of the Company		**5,331**	7,700	-31%
Non-controlling interests	A.13	**(457)**	(36)	n/m
		4,874	7,664	-36%

Roxy-Pacific
Holdings Limited

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

	Note	First quarter ended 31 March 2019 S$'000	2018 S$'000	Change %
after crediting:				
Foreign exchange gain (realised)	A.9	-	514	-100%
Foreign exchange gain (unrealised)	A.10	**561**	886	-37%
Interest income	A.3	**762**	449	70%
after charging:				
Depreciation of property, plant and equipment	A.5	**(2,062)**	(1,584)	30%
Amortisation of intangible assets		**(47)**	(45)	4%
Directors' fees		**(50)**	(38)	32%
Foreign exchange loss (realised)		-	(7)	-100%
Foreign exchange loss (unrealised)	A.11	**(141)**	(819)	-83%
Interest on borrowings	A.6	**(5,600)**	(3,121)	79%
Staff costs (including directors' remuneration)	A.12	**(5,893)**	(5,303)	11%

Notes to Consolidated Income Statement:

A.1 Revenue increased in 1Q2019 mainly due to higher contribution from the Property Development segment, partially offset by lower revenue from Hotel Ownership and Property Investment segments. Please refer to paragraph 8(a) for a more detailed analysis.

A.2 Cost of sales and gross profit increased in 1Q2019, in line with the higher revenue. The increase in cost of sales of 111% as compared to the increase in revenue of 91% was mainly due to lower profit margin for The Hensley and hotel ownership segment. Please refer to paragraph 8(a) for a more detailed analysis.

A.3 Other operating income increased in 1Q2019 mainly due to higher finance income and forfeiture of deposit of aborted units in The Hensley, partially offset by lower foreign exchange gain. The increase in interest income was mainly due to more fixed deposit placement and higher interest rate.

A.4 Distribution and selling expenses were higher in 1Q2019 mainly due to showflats expenses incurred for View At Kismis, Fyve Derbyshire, RV Altitude and Dunearn 386.

A.5 Other operating expenses comprise mainly depreciation and payroll expenses. Depreciation expense increased in 1Q2019 mainly due to provision for depreciation of Noku Maldives upon the commencement of full hotel operation from 3Q2018.

A.6 In 1Q2019, finance costs increased mainly due to borrowing costs incurred for RV Altitude, Fyve Derbyshire, 120 Grange, Harbour View Gardens, Bukit 828 as compared to Trilive and Straits Mansions in 1Q2018.

A.7 Share of results of associates was higher in 1Q2018 mainly due to fair value gain on 117 Clarence Street. In 1Q2019, it was lower due to share of loss as a result of showflat expenses incurred for Wilshire Residences and NEU At Novena, offset by profit recognised from Wisma Infinitum and 205 Queen Street.

A.8 The higher tax expense in 1Q2019 is mainly due to tax provision for The Hensley.

A.9 In 1Q2018, foreign exchange gain (realised) arose mainly due to conversion of AUD fixed deposit into SGD on its maturity.

A.10 In 1Q2019, foreign exchange gain (unrealised) arose mainly due from depreciation of HKD payable against SGD. 1Q2018 foreign exchange gain (unrealised) arose mainly from appreciation of JPY advances to subsidiaries and depreciation of HKD payable against SGD.

A.11 Foreign exchange loss (unrealised) in 1Q2019 arose mainly due to depreciation of JPY and AUD advances to subsidiaries. In 1Q2018 foreign exchange loss (unrealised) arose mainly due to depreciation of AUD receivables from subsidiaries.

A.12 Staff costs in 1Q2019 are higher mainly due to full staff strength in Noku Maldives following its full operation in August 2018 and annual salary increment for staff in the Group since 2H2018.

A.13 Non-controlling interests was a loss in 1Q2019 mainly due to showflat expenses incurred for View At Kismis. In 1Q2018, non-controlling interests was a loss mainly due to showflat expenses incurred for 120 Grange and Bukit 828 projects.

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Holdings Limited

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

		First quarter ended 31 March		
		2019	**2018**	**Change**
		S$'000	**S$'000**	**%**
Profit after taxation		**4,874**	7,664	-36%
Other comprehensive income				
Currency translation differences arising from consolidation	A.13	**(943)**	(6,928)	-86%
Other comprehensive profit, net of tax		**(943)**	(6,928)	-86%
Total comprehensive income for the period		**3,931**	736	n/m
Attributable to:				
Equity holders of the Company		**4,422**	769	475%
Non-controlling interests		**(491)**	(33)	n/m
		3,931	736	n/m

A.14 Currency translation differences in 1Q2019 arose mainly from the depreciation of AUD against SGD during the period.

n/m: not meaningful

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.

	Note	GROUP		COMPANY	
		31-Mar-19	31-Dec-18	**31-Mar-19**	31-Dec-18
		S$'000	S$'000	**S$'000**	S$'000
ASSETS					
Non-Current					
Property, plant and equipment	B.1	**229,012**	231,028	**737**	774
Intangible assets		**348**	393	**286**	327
Investment properties		**126,672**	126,464	**-**	-
Investment in subsidiaries	B.2	**-**	-	**170,088**	170,603
Investment in associates	B.3	**151,009**	142,330	**-**	-
Right-of-use assets	B.4	**16,576**	-	**-**	-
Financial assets at fair value through profit or loss	B.5	**2,071**	1,856	**496**	356
		525,688	502,071	**171,607**	172,060
Current					
Development properties for sale*	B.6	**720,301**	751,566	**-**	-
Inventories		**1,079**	1,086	**-**	-
Amounts due from associates	B.7	**60,776**	58,432	**-**	-
Trade receivables	B.8	**12,790**	8,282	**20**	2
Contract assets	B.9	**16,555**	20,410	**-**	-
Contract costs	B.10	**7,018**	6,084	**-**	-
Other receivables	B.11	**32,707**	36,959	**407,836**	396,182
Cash and bank balances		**274,705**	291,574	**164,389**	166,888
		1,125,931	1,174,393	**572,245**	563,072
Total assets		**1,651,619**	1,676,464	**743,852**	735,132
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital		**47,399**	47,399	**47,399**	47,399
Treasury shares		**(3,954)**	(3,954)	**(3,954)**	(3,954)
Revaluation reserve		**533**	533	**-**	-
Other reserves		**(19,467)**	(18,558)	**(6,137)**	(5,622)
Retained earnings		**476,212**	470,881	**201,479**	201,093
Equity attributable to owners of the Company		**500,723**	496,301	**238,787**	238,916
Non-controlling interests		**1,892**	4,533	**-**	-
		502,615	500,834	**238,787**	238,916
Liabilities					
Non-Current					
Borrowings	B.13	**227,946**	229,651	**-**	-
Lease liability	B.4	**16,405**	-	**-**	-
Deferred tax liabilities		**10,065**	10,979	**737**	671
		254,416	240,630	**737**	671
Current					
Trade and other payables	B.12	**97,103**	104,234	**444,791**	430,138
Current tax liabilities		**17,989**	17,554	**825**	678
Borrowings	B.13	**779,496**	813,212	**58,712**	64,729
		894,588	935,000	**504,328**	495,545
Total liabilities		**1,149,004**	1,175,630	**505,065**	496,216
Total equity and liabilities		**1,651,619**	1,676,464	**743,852**	735,132

* $284.0 million (31 December 2018: $293.1 million) relates to the Group's pre-sold development properties as at 31 March 2019.

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

B.1 The decrease in property, plant and equipment as at 31 March 2019 was mainly due to depreciation.

B.2 At Company level, investment in subsidiaries decreased marginally due to revaluation of loan to foreign subsidiaries.

B.3 Investment in associates increased mainly due to shareholder loans to associate companies.

B.4 Right-of-use assets and lease liability mainly pertain to lease commitment for land rent of Maldives, which has a lease term till year 2056.

B.5 Financial assets at fair value through profit or loss were valued at $2.1 million as at 31 March 2019, comprising equity securities listed on the Singapore Exchange.

B.6 Development properties for sale as at 31 March 2019 comprises of properties for sale under development ($708.8 million) and developed properties for sale ($11.5 million). The decrease in properties for sale under development was mainly due to completion and settlement of The Hensley during the period..

B.7 Amounts due from associates increase mainly due to loans to associates for property development.

B.8 Trade receivables comprised mainly progress payments receivable from purchasers. The increase in trade receivables was mainly due to progress payments receivable from The Navian, and balance deposit from RV Altitude and Bukit 828.

B.9 Contract assets comprised mainly unbilled revenue for projects which have obtained TOP. The decrease in contract assets was mainly due to billing for Straits Mansions in 1Q2019.

B.10 Contract costs relate to sales commission incurred in securing sales of residential properties. The increase in contract cost in 1Q2019 was mainly due to sales commission incurred for RV Altitude.

B.11 The Group's other receivables comprised mainly deposits, prepayments and other receivables. The decrease was mainly due to realisation of customer deposit held in trust for The Hensley upon settlement.

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.12 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 decrease was mainly due to recognition of customer option fees for The Hensley upon completion and settlement in 1Q2019.

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.13 The Group's total borrowings amounted to $1,007.4 million, with $406.9 million repayable within one year and $600.5 million repayable after one year (refer to page 9, table 1(b)(ii)). The decrease in total borrowings was mainly due to the repayment of borrowings for completed projects.

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

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

	31 March 2019			31 December 2018		
	Secured	**Unsecured**	**Total**	Secured	Unsecured	Total
	S$'000	**S$'000**	**S$'000**	S$'000	S$'000	S$'000
Non-current						
- Amounts repayable after one year	**227,946**	-	**227,946**	229,651	-	229,651
Current						
- Amounts repayable in one year or less, or on demand	**406,917** (i) (ii)	-	**406,917**	440,605	-	440,605
- Amounts repayable after one year but within the normal operating cycle of the Property Development segment	**372,579**	-	**372,579**	372,607	-	372,607
	779,496	-	**779,496**	813,212	-	813,212
	1,007,442	-	**1,007,442**	1,042,863	-	1,042,863

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. $118.9 million relates to our sold development project properties and is expected to be repaid by 31 March 2020 upon obtaining TOP and collections from buyers of the properties.

   $180.6 million relates to loans for Grand Mercure Roxy Hotel, Singapore and shop units.

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

Roxy-Pacific
Holdings Limited

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	First quarter ended 31 March 2019 S$'000	2018 S$'000 (Restated)
Cash Flows from Operating Activities			
Profit before taxation		**7,246**	8,523
Adjustments for:			
Depreciation of property, plant and equipment		**2,062**	1,584
Amortisation of intangible assets		**47**	45
Dividend income from equity share		**(20)**	(20)
Share of results of associates		**94**	(6,113)
Cumulative fair value gain on available-for-sale financial assets reclassified to profit or loss on adoption of SFRS(I) 9		**-**	(312)
Fair value gain on equity securities		**(215)**	(194)
Interest income		**(762)**	(449)
Interest expense on bank borrowings		**5,600**	3,121
Gain on acquisition of additional shares in a subsidiary	C.5	**(213)**	-
Net foreign exchange gain (unrealised)		**(421)**	(67)
Operating profit before working capital changes		**13,418**	6,118
Changes in properties for sale under development		**42,080**	(105,960)
Changes in developed properties for sale		**(8,530)**	4,314
Changes in contract cost		**(934)**	258
Changes in contract asset		**3,855**	30,059
Changes in inventories		**7**	(114)
Changes in operating receivables		**2,752**	6,256
Changes in operating payables		**(11,083)**	(19,841)
Cash generated from / (used in) operations		**41,565**	(78,910)
Net income tax paid		**(2,923)**	(388)
Cash generated from / (used in) operating activities	C.1	**38,642**	(79,298)
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	C.2	**(555)**	(2,405)
Investment in associates	C.3	**(384)**	(12,274)
Dividend received from equity share		**20**	20
Dividend received from associates		**-**	12,000
Loan to associates	C.4	**(10,989)**	(2,360)
(Repayment) / Advance from associates		**(215)**	1,769
Acquistion of additional shares in a subsidiary	C.5	**(938)**	-
Interest received		**1,137**	967
Cash used in investing activities		**(11,924)**	(2,283)
Cash Flows from Financing Activities			
Proceeds from borrowings		**22,709**	84,896
Repayment of borrowings		**(57,542)**	(46,311)
Fixed deposit pledged to financial institutions		**-**	(4)
Interest paid		**(7,836)**	(6,525)
Share buy-back		**-**	(981)
Dividend paid to non-controlling shareholders		**(1,000)**	(610)
Cash (used in) / generated from financing activities	C.6	**(43,669)**	30,465

		First quarter ended 31 March	
		2019	2018
		S$'000	S$'000
Net decrease in cash and cash equivalents		**(16,951)**	(51,116)
Cash and cash equivalents at beginning of period		**220,333**	234,295
Effects of foreign currency translation		**56**	(1,039)
Cash and cash equivalents at end of period		**203,438**	182,140
Analysis of cash and cash equivalents:-			
Project accounts	C.7	**17,564**	20,116
Fixed deposits in project accounts		**15,000**	15,500
Fixed deposits		**148,206**	143,105
Cash at bank		**93,935**	91,588
Total cash and bank balances		**274,705**	270,309
Less: Fixed deposits pledged to banks and financial institutions		**(71,267)**	(88,169)
		203,438	182,140

Notes to the consolidated statement of cash flows:

C.1 The net cash inflows from operating activities of $39.0 million in 1Q2019 as compared to net cash outflows of $79.3 million in 1Q2018 was mainly due to settlement from The Hensley.

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

C.3 The investment in associates in 1Q2019 was mainly additional equity for the projects in Australia.

C.4 Loans to associates in 1Q2019 was mainly shareholder loans to associate companies in Singapore, Malaysia and Australia.

C.5 Acquisition of additional shares in an indirect subsidiary thereby increasing the Group's shareholding from 85% to 90%.

C.6 The net cash outflows from financing activities of $43.7 million in 1Q2019 were mainly due to repayment of borrowings for completed projects. This was partially offset by proceeds from borrowings for the development sites in Australia and Singapore.

C.7 Project accounts consist of monies held under the Housing Developers (Project Account) Rules 1997. Withdrawals are restricted for payments for development expenditure incurred on properties for sale under development.

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

Group	Share capital S$'000	Treasury shares S$'000	Revaluation reserve S$'000	Translation reserve S$'000	Retained earnings S$'000	Equity attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total S$'000
Balance at 1 January 2019	47,399	(3,954)	533	(18,558)	470,881	496,301	4,533	500,834
Total comprehensive income for the period								
Profit for the period	-	-	-	-	**5,331**	**5,331**	**(457)**	**4,874**
Comprehensive income for the period	-	-	-	-	**5,331**	**5,331**	**(457)**	**4,874**
Other comprehensive income								
Foreign currency translation differences	-	-	-	**(909)**	-	**(909)**	**(34)**	**(943)**
Total other comprehensive income for the period	-	-	-	**(909)**	-	**(909)**	**(34)**	**(943)**
Total comprehensive income for the period	-	-	-	**(909)**	**5,331**	**4,422**	**(491)**	**3,931**
Transactions with owners, recoginsed directly in equity								
Contributions by and distributions to owners								
Transactions with non-controlling interests	-	-	-	-	-	-	**(1,150)**	**(1,150)**
Dividend paid	-	-	-	-	-	-	**(1,000)**	**(1,000)**
Total transactions with owners	-	-	-	-	-	-	**(2,150)**	**(2,150)**
Balance at 31 March 2019	**47,399**	**(3,954)**	**533**	**(19,467)**	**476,212**	**500,723**	**1,892**	**502,615**

Group	Share capital S$'000	Treasury shares S$'000	Fair value reserve S$'000	Revaluation reserve S$'000	Translation reserve S$'000	Retained earnings S$'000	Equity attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total S$'000
Balance at 1 January 2018, as previously reported	47,399	(564)	312	533	(4,527)	459,512	502,665	5,071	507,736
Effect of adopting SFRS(I)	-	-	-	-	10	1,801	1,811	65	1,876
At 1 January 2018, as restated	47,399	(564)	312	533	(4,517)	461,313	504,476	5,136	509,612
Effect of adoption of SFRS(I) 9	-	-	(312)	-	-	-	(312)	-	(312)
Balance at 1 January 2018	47,399	(564)	-	533	(4,517)	461,313	504,164	5,136	509,300
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	7,700	7,700	(36)	7,664
Comprehensive income for the period	-	-	-	-	-	7,700	7,700	(36)	7,664
Other comprehensive income									
Foreign currency translation differences	-	-		-	(6,931)	-	(6,931)	3	(6,928)
Total other comprehensive income for the period	-	-	-	-	(6,931)	-	(6,931)	3	(6,928)
Total comprehensive income for the period	-	-	-	-	(6,931)	7,700	769	(33)	736
Transactions with owners, recoginsed directly in equity									
Contributions by and distributions to owners									
Share buy-back	-	(981)	-	-	-	-	(981)	-	(981)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(610)	(610)
Total transactions with owners	-	(981)	-	-	-	-	(981)	(610)	(1,591)
Balance at 31 March 2018	47,399	(1,545)	-	533	(11,448)	469,013	503,952	4,493	508,445

Company	Share capital S$'000	Treasury shares S$'000	Translation reserve S$'000	Retained earnings S$'000	Total S$'000
Balance at 1 January 2019	47,399	(3,954)	(5,622)	201,093	238,916
Total comprehensive income for the period					
Profit for the period	-	-	-	**386**	**386**
Comprehensive income for the period	-	-	-	**386**	**386**
Other comprehensive income					
Foreign currency translation difference	-	-	**(515)**	-	**(515)**
Total other comprehensive income for the period	-	-	**(515)**	-	**(515)**
Total comprehensive income for the period	-	-	**(515)**	**386**	**(129)**
Transaction with owners, recognised directly in equity					
Contributions by and distributions to owners					
Total transactions with owners	-	-	-	-	-
Balance at 31 March 2019	**47,399**	**(3,954)**	**(6,137)**	**201,479**	**238,787**

Company	Share capital S$'000	Treasury shares S$'000	Fair value reserve S$'000	Translation reserve S$'000	Retained earnings S$'000	Total S$'000
Balance at 1 January 2018, as previously reported	47,399	(564)	138	768	174,572	222,313
Effect of adoption of SFRS(I) 9	-	-	(138)	-	-	(138)
At 1 January 2018, as restated	47,399	(564)	-	768	174,572	222,175
Profit for the period	-	-	-	-	16,587	16,587
Comprehensive income for the period	-	-	-	-	16,587	16,587
Other Comprehensive income						
Foreign currency translation difference	-	-	-	(2,693)	-	(2,693)
Total other comprehensive income for the period	-	-	-	(2,693)	-	(2,693)
Total comprehensive income for the period	-	-	-	(2,693)	16,587	13,894
Transaction with owners, recognised directly in						
Contributions by and distributions to owners						
Share buy-back	-	(981)	-	-	-	(981)
Total transactions with owners	-	(981)	-	-	-	(981)
Balance at 31 March 2018	47,399	(1,545)	-	(1,925)	191,159	235,088

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

Ordinary share capital and Treasury shares

Movement in the Company's treasury shares during the three months ended 31 March 2019 are as follows:

	31 March 2019 No. of Shares	**31 March 2018** No. of Shares
Treasury shares:		
As at beginning of period	**8,924,900**	1,326,500
Purchase of treasury shares	**-**	1,778,500
As at end of period	**8,924,900**	3,105,000

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

	31 March 2019	**31 March 2018**
Issued, fully paid share capital:		
Balance number of shares as at the beginning of period	**1,303,979,944**	1,192,223,494
Purchase of treasury shares	**-**	(1,778,500)
Total number of shares as at the end of period net of treasury shares	**1,303,979,944**	1,190,444,994

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

Not applicable.

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

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

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has followed accounting policies and applied methods of computations consistent with the audited financial statements as at 31 December 2018.

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.

(i) SFRS(I) 16 *Leases*

The Group has applied SFRS(I) 16 *Leases* that is effective from 1 January 2019.

SFRS(I) 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance lease, and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The Group and the Company have applied the changes in accounting policies using the modified retrospective approach. Comparatives are not restated.

Refer to Paragraph 1(b) (i), B.4 for the right-of-use assets and lease liabilities recognised as at 31 March 2019 as a result of the application of SFRS (I) 16.

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.

	First Quarter ended 31 March	
Earnings per share for the financial period	**2019**	**2018**
		*(as restated)
(a) Based on the weighted average number of ordinary shares on issue (cents)	**0.41**	0.59
(b) On fully diluted basis (cents)	**0.41**	0.59
Profit attributable to shareholders of the Company ($'000)	**5,331**	7,700
Weighted average number of shares ('000)	**1,307,787**	1,310,896

* 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	
	31-Mar-19	**31-Dec-18**	**31-Mar-19**	**31-Dec-18**
Net asset value per ordinary shares based on total issued 1,303,979,944 ordinary shares (cents) (2018: 1,303,979,944 ordinary shares (cents))	**38.40**	38.06	**18.31**	18.32

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, Noku Osaka Hotel in Osaka, Japan, Noku Maldives and hotel property in Phuket, Thailand) and own use premises, over their carrying amounts. As at 31March 2019, our directors estimated that the fair value of these properties to be $691.5 million (31 December 2018: $692.3 million) based on valuation carried out by independent valuers on 31 December 2018, using the investment and direct comparison methods. The revaluation surplus is estimated to be approximately $486.6 million (31 December 2018: $485.2 million). Had this revaluation surplus been recorded, the Group's adjusted net asset value ("ANAV") per share would have been as follows:

	Group	
	31-Mar-19	**31-Dec-18**
ANAV per ordinary share based on total issued 1,303,979,944 ordinary shares (cents) (2018: 1,303,979,944 ordinary shares (cents))	**75.72**	75.45

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

	First quarter ended 31 March				Change Increase/ (Decrease)
GROUP	**2019 S$'000**		**2018 S$'000 (Restated)**		%
REVENUE					
Property Development	**74,171**	84%	31,766	69%	133%
Hotel Ownership	**12,406**	14%	12,653	27%	-2%
Property Investment	**1,943**	2%	2,030	4%	-4%
	88,520	100%	46,449	100%	91%
GROSS PROFIT					
Property Development	**14,317**	67%	6,805	47%	110%
Hotel Ownership	**5,924**	27%	6,387	43%	-7%
Property Investment	**1,312**	6%	1,511	10%	-13%
	21,553	100%	14,703	100%	47%
GROSS PROFIT MARGIN (%)					
Property Development	**19%**		21%		-2 ppt
Hotel Ownership	**48%**		50%		-2 ppt
Property Investment	**68%**		74%		-6 ppt
Total	**24%**		32%		-8 ppt
ADJUSTED EBITDA					
Property Development	**10,697**	74%	4,000	30%	167%
Hotel Ownership	**2,236**	15%	2,722	20%	-18%
Property Investment - Rental income	**1,320**	9%	948	7%	39%
Property Investment - Share of result of associates	**350**	2%	5,685	43%	-94%
	14,603	100%	13,355	100%	9%
PROFIT BEFORE TAX					
Adjusted EBITDA	**14,603**		13,355		9%
Corporate expenses	**(877)**		(643)		36%
Depreciation of property, plant and equipment	**(2,062)**		(1,584)		30%
Net interest expense	**(4,838)**		(2,672)		81%
Net unrealised foreign exchange gain	**420**		67		n/m
	7,246		8,523		-15%

n/m: not meaningful

(ii) Geographical Segments

	Singapore	Australia	Japan	Thailand	Malaysia	Hong Kong	Indonesia	Maldives	New Zealand	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue										
First quarter ended										
31 March 2019	**28,734**	**54,886**	**1,479**	**-**	**-**	**-**	**-**	**1,846**	**1,575**	**88,520**
31 March 2018	41,700	170	1,971	-	-	-	-	1,012	1,596	46,449
Non-current assets										
As at 31 March 2019	**150,170**	**67,930**	**71,449**	**36,030**	**25,944**	**34,902**	**3,739**	**69,924**	**65,600**	**525,688**
As at 31 December 2018	151,353	62,106	72,709	35,124	22,457	65,096	35,195	3,735	54,296	502,071
Total assets										
As at 31 March 2019	**926,931**	**401,957**	**75,169**	**39,572**	**25,944**	**34,903**	**3,740**	**73,055**	**70,348**	**1,651,619**
As at 31 December 2018	960,420	412,542	76,293	38,906	22,457	35,195	3,737	57,493	69,421	1,676,464

Revenue and gross profit analysis

(i) Revenue

The Group achieved revenue of $88.5 million in 1Q2019, 91% higher than $46.4 million in 1Q2018. This was mainly due to higher revenue from the Property Development segment, partially offset by lower revenue from Hotel Ownership and Property Investment segments.

(a) Property Development

Revenue from the Property Development segment, which made up 84% of the Group's turnover in 1Q2019, increased 133% to $74.2 million in 1Q2019 from $31.8 million in 1Q2018. The increase was largely due to revenue recognition from The Hensley upon settlement in 1Q2019 and progressive revenue recognition from The Navian. The increase was partially offset by the absence of revenue recognition from Trilive and Straits Mansions which obtained its TOP in June 2018 and October 2018 respectively.

(b) Hotel Ownership and Property Investment

The Hotel Ownership segment, which contributed 14% to the Group's turnover in 1Q2019, recorded a slightly lower revenue of $12.4 million in 1Q2019 as compared to $12.7 million in 1Q2018.

Revenue from the Property Investment segment constituted the balance of 2% of the Group's turnover in 1Q2019. This segment contributed $1.9 million in 1Q2019 and it comprises rental income from shop units in Roxy Square and NZI Centre.

(ii) Cost of sales and gross profit

In line with the increase in revenue, cost of sales increased by 111% to $67.0 million in 1Q2019 from $31.7 million in 1Q2018.

Gross profit from the Property Development segment contributed $14.3 million or 67% of the Group's total gross profit in 1Q2019, while the remaining 33% or $7.2 million was contributed by the Hotel Ownership and Property Investment segments. Gross profit margin from the Property Development segment was 19% in 1Q2019, as compared to 18% in 1Q2018. The gross profit margin of the Hotel Ownership segment decreased marginally by 2 percentage points to 48% in 1Q2019. Gross profit margin of the Property Investment segment decreased 6 percentage points to 68% in 1Q2019 from 74% in 1Q2018 mainly due to lower profit margin from NZI Centre.

The Group's overall gross profit margin in 1Q2019 was 24%, lower than the 32% recorded in 1Q2018 mainly due to higher contribution from Property Development segment which has a lower profit margin.

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 full year ended 31 December 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.

Based on advanced estimates from the Ministry of Trade and Industry, Singapore's economy grew by 1.3% on a year-on-year basis in 1Q2019, moderating from the 1.9% growth registered in 4Q2018. On a quarter-on-quarter seasonally adjusted annualised basis, the economy grew at a higher pace of 2.0% as compared to 1.4% growth achieved in the preceding quarter[1]. According to the Monetary Authority of Singapore, Singapore's economic growth for 2019 is expected to fall slightly below the mid-point of the 1.5% to 3.5% forecast range, down from the 3.2% growth registered in 2018[2].

Australia's economy also recorded growth of 0.2% in the fourth quarter of 2018 on a seasonally-adjusted basis[3]. The Reserve Bank of Australia had projected that the country's GDP growth for 2019 is expected to be around 3.0%[4].

Japan's economy registered a growth of 1.2% in December 2018, returning to growth for the first time in two months[5]. For 2019, Japan's government has revised its economic growth forecast to 1.3% from a previous forecast of 1.5% as a string of natural disasters and weakening export is expected to weigh on the economy[6].

Property Development

Singapore

In its latest release, the Urban Redevelopment Authority reported that private residential property prices decreased 0.7% in 1Q2019 as compared to a 0.1% decrease in 4Q2018. During the quarter, 2,989 private residential units were launched for sale and 1,838 were sold. This compared to 1,657 units launched and 1,836 units sold in 4Q2018.

As at the end of 1Q2019, there were a total of 53,284 uncompleted private residential units in the pipeline with planning approvals as compared to 51,498 in 4Q2018. Of these units, 36,839 remain unsold as at the end of 1Q2019, higher than 34,824 units in 4Q2018[7].

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1 *Ministry of Trade and Industry Singapore, April 12, 2019 – Singapore's GDP Grew by 1.3 Per Cent in the First Quarter of 2019*
2 *Monetary Authority of Singapore, April 26, 2019 – Macroeconomic Review Briefing*
3 *Australian Bureau of Statistics, March 6, 2019 – Economy grew 0.2 per cent in December quarter*
4 *Reserve Bank of Australia, 2019 – Statement on Monetary Policy – February 2019*
5 *Nikkei Asian Review, February 13, 2019 – Japan's GDP grew 1.2% in December: JCER*
6 *Nikkei Asian Review, December 18, 2018 – Japan cuts GDP, CPI forecasts on disasters and trade war*
7 *Urban Redevelopment Authority, April 26, 2019 – Release 1st Quarter 2019 real estate statistics*

RV altitude and Fyve Derbyshire, located in the prime River Valley and Thomson vicinities, were amongst the first projects to be launched in January 2019, with an average sales rate of 16% over the launch weekend.

The Group will place priority on the sale and delivery of the units in its current land bank, with plans to launch its remaining four land bank sites in the next few quarters depending on market conditions. On the replenishment of land bank sites, the Group has adopted a prudent approach with a focus on strategically-located and attractive development sites.

Australia

For the Australian residential sector, the price index for residential properties for the weighted average of eight capital cities fell 5.1% through the 2018 full year. Key city where the Group has a presence in also registered year-on-year decline of 7.8% in Sydney[8].

The Group's residential development projects in Sydney have been well received. The Octavia is left with one unit for sale, while the West End Residences that was launched in two phases is currently overall close to 90% sold. The Hensley has obtained its TOP in December 2018, and the Group has started to recognise revenue for the project in 1Q2019.

In New South Wales, the Group acquired a property located at 36 Mavis Street, Revesby, New South Wales, Australia, comprising a mix of warehouse and office space. This marked the Group's first entry into Australian industrial space, with plans underway for a project comprising industrial and storage units for sale.

As at 29 April 2019, based on units sold from the following ongoing development projects, the Group has total attributable pre-sale revenue of $590.2 million, the profits of which will be recognised from 2Q2019 to FY2023.

[8] *Australian Bureau of Statistics, March 19, 2019 – Residential Property Price Indexes: Eight Capital Cities Dec 2018*

	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 31 March 2019 $'m	Balance attributable progress billings to be recognised from 2Q2019 $'m
	Singapore							
1	The Navian	Residential	100%	48	92%	$ 53.1	$ 31.0	$ 22.1
2	Harbour View Gardens	Residential	100%	57	100%	$ 73.7	$ 7.1	$ 66.6
3	120 Grange	Residential	90%	56	80%	$ 74.9	-	$ 74.9
4	Bukit 828	Residential	80%	34	26%	$ 8.4	-	$ 8.4
5	Arena Residences	Residential	50%	98	53%	$ 32.9	$ 1.5	$ 31.4
6	RV Altitude	Residential	100%	140	19%	$ 41.6	-	$ 41.6
7	Fyve Derbyshire	Residential	100%	71	11%	$ 14.4	-	$ 14.4
8	Wilshire Residences	Residential	40%	85	5%	$ 3.0	-	$ 3.0
	Malaysia							
9	Wisma Infinitum - The Colony	Residential	47%	423	72%	$ 53.0	$ 18.1	$ 34.9
	Wisma Infinitum - The Luxe	Residential	47%	300[(iii)]	43%	$ 27.0	$ 9.0	$ 18.0
	Australia							
	Sydney							
10	Octavia Killara	Residential	100%	43	98%	$ 41.7	-	$ 41.7
11	West End Residences, Tower 1	Residential	100%	140	91%	$ 143.0	-	$ 143.0
	West End Residences, Tower 2	Residential	100%	91	87%	$ 90.2	-	$ 90.2
	Total			**1,586**		**$ 656.9**	**$ 66.7**	**$ 590.2**

(i) For Singapore projects, sale value is based on Option to Purchase granted up to 29 April 2019
(ii) For overseas projects, sale value is based on contract signed up to 29 April 2019
(iii) Represents Block B - The Luxe by Infinitum. An additional 31 commercial units are pending launch

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

	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	Dunearn 386	35 units of Residential Development	19,203	26,884	100%	26,884	$36.3
2	VIEW At Kismis	186 units of Residential Development	100,336	140,473	60%	84,284	$79.5 [(1)]
3	NEU At Novena	87 units of Residential Development	22,198	65,585	50%	32,793	$53.0
	Total	**308 units**	**141,737**	**232,942**		**143,960**	**$168.8**

(1) Included development charge / top up lease premium

Hotel Ownership

Latest full year statistics from the Singapore Tourism Board ("**STB**") reported a third consecutive year of strong growth for the tourism sector in 2018 with a 1.0% growth in tourism receipts to S$27.1 billion and a 6.2% growth in visitor arrivals to 18.5 million. Hotel statistics also performed better – total gazetted room revenue rose by 7.4% to reach $4.0 billion while hotel occupancy rose by 1.2 percentage points to 86%. Average room rate increased 0.9% while revenue per available room increased 2.4%[9].

STB remains cautiously optimistic on its outlook for 2018, and anticipates strong tourism growth particularly from Singapore's key visitor source markets. International visitor arrivals are forecast to rise by 1% to 4%, in the range of 18.7 million to 19.2 million, and tourism receipts to rise by 1% to 3%, in the range of S$27.3 billion to S$27.9 billion[9].

The hospitality outlook in Japan remains positive as well the country's tourism continues to grow. According to Japan National Tourism Organisation, the estimated number of visitor arrivals to Japan in 2018 reached 31.2 million, representing an increase of 8.7% from the previous year, making it the best year on record. For the first two months of 2019, visitor arrivals to Japan is estimated to be 5.3 million, up from 5.0 million in the first two months of 2018, representing a year-on-year growth of 5.6%[10].

The Group's flagship Grand Mercure Singapore Roxy hotel, and self-managed boutique hotels under the *Noku hotels* hospitality brand – *Noku Kyoto* and *Noku Osaka* – continue to contribute healthy recurring income. The Group's first upscale resort in Maldives, *Noku Maldives*, which was officially opened in August 2018, has been well-received since its opening. The Group's second resort asset in Phuket, Thailand, is targeted to launch in 2020.

Property Investment

For the Australian office sector, the overall sentiment in commercial property markets, as measured by the NAB Commercial Property Index, increased marginally by 1 point to 9 points in 4Q2018 and remains above long-term average levels of 3 points[11].

Funds from the divestments of 59 Goulburn Street and 117 Clarence Street had been redeployed into other yield-accretive property investments, namely the completion of acquisitions of 33 Argyle Street in New South Wales, Australia, in January 2019 and 312 St Kilda in Melbourne, Australia, in January 2018.

Marking a significant milestone for the Group's entry into the Australian hospitality sector, Melbourne City Council has given Roxy-Pacific approval to redevelop Melbourne House, a freehold commercial and retail building located in Melbourne's central business district into a 319 room hotel. The Group has since signed a management deal with Park Hotel Group to open Park Hotel Melbourne in 2022, which will be located on the site of the former Melbourne House.

Outlook

Barring any unforeseen circumstances, the directors expect the Group to be profitable in the financial year ending 31 December 2019.

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[9] *Singapore Tourism Board, February 13, 2019 – Third consecutive year of growth for Singapore tourism sector in 2018*
[10] *Japan National Tourism Organisation – Japan Tourism Statistics*
[11] *Australia National Bank, 8 February 2019 - NAB Commercial Property Survey Q4 2018*

Roxy-Pacific
Holdings Limited

11. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not Applicable

(d) Books closure date

Not Applicable

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

No dividend has been declared / recommended.

13. Interested Person Transactions

The Company does not have a shareholders' mandate for interested person transactions. There were no interested person transactions during the quarter ended 31 March 2019.

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

8th May 2019
Singapore

Roxy-Pacific
Holdings Limited

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

We confirm on behalf of the Board of Directors that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company for the financial period ended 31 March 2019 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

8th May 2019
Singapore