



**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 2015**



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FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015**

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**UNAUDITED FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015**

**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**

	First quarter ended 31 March		Change %
	2015 S\$'000	2014 S\$'000	
Revenue	198,191	79,454	149%
Cost of sales	(128,009)	(54,350)	136%
Gross profit	70,182	25,104	180%
Other operating income	816	243	236%
Distribution and selling expenses	(523)	(517)	1%
Administrative expenses	(6,754)	(3,272)	106%
Other operating expenses	(6,100)	(3,677)	66%
Finance costs	(3,037)	(1,628)	87%
Share of results of associates (net of income tax)	2,653	1,026	159%
Profit before taxation	57,237	17,279	231%
Taxation	(10,900)	(2,317)	n/m
Profit after taxation	46,337	14,962	210%
Attributable to:			
Equity holders of the Company	46,453	14,974	210%
Non-controlling interests	(116)	(12)	n/m
	46,337	14,962	210%
Other comprehensive income			
Currency translation differences arising from consolidation	(1,211)	-	n/m
Net change in fair value of available-for-sale financial assets	-	176	n/m
Tax on other comprehensive income	-	(30)	n/m
Other comprehensive income, net of tax	(1,211)	146	n/m
Total comprehensive income for the period	45,126	15,108	199%
Attributable to:			
Equity holders of the Company	45,240	15,120	199%
Non-controlling interests	(114)	(12)	n/m
	45,126	15,108	199%

n/m: not meaningful



1(a)(ii) Total comprehensive income is arrived at:

	First quarter ended 31 March		Change %
	2015 S\$'000	2014 S\$'000	
after charging:			
Currency translation differences arising from consolidation	1,211	-	n/m
Depreciation of property, plant and equipment	1,141	1,010	13%
Directors' fees	38	38	-
Foreign exchange loss (unrealised)	795	304	162%
Interest on borrowings	3,037	1,628	87%
Staff costs (including directors' remuneration)	8,324	5,213	60%
Fair value loss on cross currency interest rate swap ⁽¹⁾	1,663	-	n/m
and crediting:			
Impairment loss on trade receivables written back	3	-	n/m
Income from hotel money exchange operations	4	5	-20%
Interest income	570	148	285%
Foreign exchange gain (unrealised)	172	-	n/m
Foreign exchange gain (realised)	5	-	n/m

n/m: not meaningful

⁽¹⁾ The cross currency interest rate swap ("CCS") was taken up as part of its interest rate risk management, to convert its AUD floating interest rate liability (on a term loan in AUD) to a fixed interest rate in SGD. Upon the maturity date of the CCS which matches that of the AUD term loan, the Group intends to exchange SGD for AUD principal (based on the pre-agreed exchange rate) and use the AUD principal to repay the term loan in AUD. Any fair value differences recorded prior to the maturity of CCS will be reversed to the income statement upon maturity date.



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	
	31-Mar-15 S \$'000	31-Dec-14 S\$'000	31-Mar-15 S \$'000	31-Dec-14 S\$'000
ASSETS				
Non-Current				
Property, plant and equipment	121,314	120,309	55	62
Available-for-sale financial assets	1,574	1,574	-	-
Investments in subsidiaries	-	-	47,343	47,343
Investments in associates	119,034	69,005	-	-
Investment properties	172,167	175,663	-	-
	414,089	366,551	47,398	47,405
Current				
Properties for sale under development ⁽¹⁾	511,075	541,773	-	-
Inventories	123	126	-	-
Trade receivables	50,619	73,332	-	20
Other receivables	10,627	36,193	1,648	4,331
Amount due from subsidiaries	-	-	195,525	191,944
Project accounts	161,980	176,329	-	-
Fixed deposits	178,743	170,914	116,616	84,687
Cash and bank balances	74,386	68,101	37,601	20,647
	987,553	1,066,768	351,390	301,629
Total assets	1,401,642	1,433,319	398,788	349,034
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	47,399	47,399	47,399	47,399
Fair value reserve	174	174	-	-
Translation reserve	(4,381)	(3,168)	-	-
Retained earnings	402,386	355,933	40,580	40,643
Equity attributable to owners of the Company	445,578	400,338	87,979	88,042
Non-controlling interests	401	515	-	-
	445,979	400,853	87,979	88,042
Liabilities				
Non-Current				
Bank borrowings (secured)	272,141	275,015	-	-
Deferred tax liabilities	28,091	25,916	-	-
	300,232	300,931	-	-
Current				
Trade payables	15,766	12,736	461	154
Other payables	68,067	62,920	549	875
Amount due to subsidiaries	-	-	284,930	255,963
Provision for taxation	22,451	13,632	-	-
Bank borrowings (secured)	549,147	642,247	24,869	4,000
	655,431	731,535	310,809	260,992
Total liabilities	955,663	1,032,466	310,809	260,992
Total equity and liabilities	1,401,642	1,433,319	398,788	349,034

⁽¹⁾ \$342.4 million (31-Dec-14: \$336.6 million) relates to the Group's pre-sold development properties as at 31 March 2015.



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

	<u>31-Mar-15</u>		<u>31-Dec-14</u>	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Current				
Amount repayable in one year or less, or on demand	185,521	(i) -	278,278	-
Amount repayable after one year but within the normal operating cycle of Property Development segment	363,626	-	363,969	-
	549,147	-	642,247	-
Non-current				
Amount repayable after one year	272,141	-	275,015	-
	821,288	-	917,262	-

Details of collaterals

The borrowings are secured by;

- a) Freehold land and building;
- b) Proceeds from the sale of investment properties;
- c) Rental income from investment properties;
- d) Guarantee by the Company;
- e) Properties for sale under development; and
- f) Proceeds from sales of properties under development.

(i) \$55.0 million relates to our sold development projects properties and is expected to be fully repaid by 31 March 2016 upon obtaining Temporary Occupation Permits ("TOP") and collections from buyers of properties.



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

	First quarter ended	
	31-Mar	
	2015	2014
	S\$'000	S\$'000
Cash Flows from Operating Activities		
Profit before taxation	57,237	17,279
Adjustments for:		
Depreciation of property, plant and equipment	1,141	1,010
Fair value loss on financial derivatives	1,663	-
Share of result of associates	(2,653)	(1,026)
Interest income	(570)	(148)
Interest expense on bank borrowings	3,037	1,628
Foreign exchange loss, net (unrealised)	623	304
Operating profit before working capital changes	<u>60,478</u>	19,047
Changes in inventories	3	1
Changes in operating receivables	21,773	18,963
Changes in operating payables	3,072	(6,552)
Changes in properties for sale under development	32,672	(8,839)
Cash generated from operations	<u>117,998</u>	22,620
Income tax paid	(60)	(446)
Net cash generated from operating activities	<u>117,938</u>	22,174
Cash Flows from Investing Activities		
Investment in associates	-	(1)
Dividend income from associate	1,350	-
Repayment from associates	8,503	9,344
Loan to associates	(29,452)	(32,450)
Acquisition of property, plant and equipment	(491)	(2)
Interest received	328	148
Net cash used in investing activities	<u>(19,762)</u>	(22,961)
Cash Flows from Financing Activities		
Proceeds from borrowings	49,407	7,191
Repayment of borrowings	(142,869)	(39,800)
Fixed deposit pledged to banks and financial institutions	(56,000)	(4)
Interest paid	(4,950)	(3,277)
Proceeds from issue of share to non-controlling interest	1	-
Net cash used in financing activities	<u>(154,411)</u>	(35,890)



**First quarter ended
31-Mar**

2015 2014
S\$'000 S\$'000

Net decrease in cash and cash equivalents	(56,235)	(36,677)
Cash and cash equivalents at beginning of period	415,316	354,204
Cash and cash equivalents at end of period	359,081	317,527

Analysis of cash and cash equivalents:-

Project accounts (Note 1)	121,980	75,893
Fixed deposits in project accounts (Note 1)	40,000	91,500
Fixed deposits	178,743	70,838
Cash and bank balances	74,386	79,716
Less: Fixed deposits pledged to banks and financial institutions	(56,028)	(420)
	359,081	317,527

Note 1: The project accounts consist of monies held under the Housing Developers (Project Account) Rules 1997 from which withdrawals are restricted to payments for development expenditure incurred on properties developed for sale.



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	Fair value reserve S\$'000	Translation reserve S\$'000	Retained profits S\$'000	Equity attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total S\$'000
Balance at 1 January 2014	47,399	111	-	282,112	329,622	347	329,969
Total comprehensive income for the period							
Profit for the period	-	-	-	14,974	14,974	(12)	14,962
Total comprehensive income for the period	-	-	-	14,974	14,974	(12)	14,962
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	-	176	-	-	176	-	176
Tax on other comprehensive income	-	(30)	-	-	(30)	-	(30)
Total other comprehensive income for the period	-	146	-	-	146	-	146
Balance at 31 March 2014	47,399	257	-	297,086	344,742	335	345,077
Balance at 1 January 2015	47,399	174	(3,168)	355,933	400,338	515	400,853
Total comprehensive income for the period							
Profit for the period	-	-	-	46,453	46,453	(116)	46,337
Total comprehensive income for the period	-	-	-	46,453	46,453	(116)	46,337
Other comprehensive income							
Foreign currency translation differences	-	-	(1,213)	-	(1,213)	2	(1,211)
Total other comprehensive income for the period	-	-	(1,213)	-	(1,213)	2	(1,211)
Total comprehensive income for the period	-	-	(1,213)	46,453	45,240	(114)	45,126
Balance at 31 March 2015	47,399	174	(4,381)	402,386	445,578	401	445,979



**Roxy-Pacific
Holdings Limited**

Company	Share capital S\$'000	Retained profits S\$'000	Equity attributable to owners of the Company S\$'000	Total S\$'000
Balance at 1 January 2014	47,399	53,887	101,286	101,286
Total comprehensive income for the period				
Loss for the period	-	(1,194)	(1,194)	(1,194)
Total comprehensive income for the period	-	(1,194)	(1,194)	(1,194)
Balance at 31 March 2014	47,399	52,693	100,092	100,092
Balance at 1 January 2015	47,399	40,643	88,042	88,042
Total comprehensive income for the period				
Loss for the period	-	(63)	(63)	(63)
Total comprehensive income for the period	-	(63)	(63)	(63)
Balance at 31 March 2015	47,399	40,580	87,979	87,979



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

There were no changes in the Company's share capital during the three months ended 31 March 2015.

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.

	<u>31-Mar-15</u>	<u>31-Dec-14</u>
Total number of ordinary shares issued and fully paid	1,193,549,994	1,193,549,994

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

The Group has applied consistent accounting policies and methods for computation in the financial information for the current financial period as compared with those for the audited financial statements as at 31 December 2014.

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 (“EPS”) for the financial period	First quarter ended 31-Mar	
	2015	2014
(a) Based on the weighted average number of ordinary shares in issue (cents)	3.89	1.25
(b) On fully diluted basis (cents)	3.89	1.25
Profit attributable to shareholders of the Company (\$'000)	46,453	14,974
Weighted average number of shares ('000)	1,193,550	1,193,550

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-15	31-Dec-14	31-Mar-15	31-Dec-14
Net asset value (“NAV”) per ordinary shares based on total post-bonus issue of 1,193,549,994 ordinary shares (cents)	37.33	33.54	7.37	7.38

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 the Grand Mercure Roxy Hotel and office premises over their carrying amounts. As at 31 March 2015, our directors estimated that the fair value of these properties to be \$553.4 million (31 December 2014: \$553.4 million) based on the valuation carried out by an independent valuer on 31 December 2014, using the investment method and direct comparison method. The revaluation surplus would be estimated to be approximately \$476.2 million (31 December 2014: \$460.4 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-15	31-Dec-14
ANAV per ordinary share based on total post-bonus issue of 1,193,549,994 ordinary shares (cents)	77.23	72.11

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

Breakdown of Performance by Segments

GROUP	First quarter ended 31-Mar				Change Increase/ (Decrease) %
	2015 S\$'000		2014 S\$'000		
REVENUE					
Property Development	184,304	93%	67,057	84%	175%
Hotel Ownership	10,921	6%	11,985	15%	-9%
Property Investment	2,966	1%	412	1%	n/m
	<u>198,191</u>	<u>100%</u>	<u>79,454</u>	<u>100%</u>	<u>149%</u>
GROSS PROFIT					
Property Development	61,461	88%	16,771	67%	266%
Hotel Ownership	6,655	9%	8,052	32%	-17%
Property Investment	2,066	3%	281	1%	n/m
	<u>70,182</u>	<u>100%</u>	<u>25,104</u>	<u>100%</u>	<u>180%</u>
GROSS PROFIT MARGIN (%)					
Property Development	33%		25%		8ppt
Hotel Ownership	61%		67%		-6ppt
Property Investment	70%		68%		2ppt
Total	<u>35%</u>		<u>32%</u>		<u>3ppt</u>
ADJUSTED EBITDA					
Property Development	62,426	92%	16,888	77%	270%
Hotel Ownership	3,561	5%	4,918	22%	-28%
Property investment - Rental income	1,996	3%	264	1%	n/m
	<u>67,983</u>	<u>100%</u>	<u>22,070</u>	<u>100%</u>	<u>208%</u>
PROFIT BEFORE TAX					
Adjusted EBITDA	67,983		22,070		208%
Corporate expenses	(5,475)		(2,301)		138%
Depreciation of property, plant and equipment	(1,141)		(1,010)		13%
Finance costs, net	(2,467)		(1,480)		67%
Fair value loss on cross currency interest rate swap	(1,663)		-		n/m
	<u>57,237</u>		<u>17,279</u>		<u>231%</u>



1Q2015 vs 1Q2014

The Group achieved revenue of \$198.2 million in 1Q2015, 149% higher as compared to \$79.5 million in 1Q2014. This is mainly due to increase in revenue from Property Development and Property Investment segments, partly offset by decrease in revenue from Hotel Ownership segment.

(a) Property Development

Revenue from the Property Development segment, which made up of 93% of the Group's turnover, rose 175% from \$67.1 million in 1Q2014 to \$184.3 million in 1Q2015. The increase was largely due to revenue recognition on completion from Centropod@Changi, a commercial development project which obtained its Temporary Occupation Permits ("TOP") in January 2015.

(b) Hotel Ownership and Property Investment

Revenue from the Hotel Ownership segment, which contributed 6% to the Group's turnover, decreased 9% from \$12.0 million in 1Q2014 to \$10.9 million in 1Q2015. Average occupancy rate ("AOR") decreased to 87.2% in 1Q2015 as compared to 90.2% in 1Q2014. Average room rate ("ARR") was \$172.5 in 1Q2015, compared to \$190.5 in 1Q2014. Overall, the Group's revenue per available room ("RevPar") decreased by 12% from \$171.8 in 1Q2014 to \$150.4 in the current quarter.

Revenue from Property Investment segment, which constituted the balance 1% of the Group's turnover, surged over seven times to \$3.0 million in 1Q2015 as compared to \$0.4 million in 1Q2014 mainly due to office rental income from 59 Goulburn Street, which was acquired in 3Q2014.

(ii) Cost of sales and gross profit

In line with the increase in revenue, direct cost of total revenue increased by \$73.6 million or 136% from \$54.4 million in 1Q2014 to \$128.0 million in 1Q2015.

Gross profit from the Property Development segment contributed \$61.5 million or 88% of the total gross profit of the Group, with the balance 12% or \$8.7 million contributed by the Hotel Ownership and Property Investment segments. The gross profit margin for the Property Development segment increased by 8 percentage points from 25% in 1Q2014 to 33% in 1Q2015 mainly due to high profit margin recorded for Centropod@Changi. The gross profit margin of the Hotel Ownership segment decreased 6 percentage points at 61% in 1Q2015 as compared to 67% in 1Q2014 mainly due to lower RevPar in 1Q2015. The gross profit margin of the Property Investment segment increased by 2 percentage points from 68% in 1Q2014 to 70% in 1Q2015.

The Group's overall gross profit margin was higher by 3 percentage points from 32% in 1Q2014 compared to 35% in the current quarter.

(iii) Profit for the period

The Group's other operating income increased from \$0.2 million in 1Q2014 to \$0.8 million in 1Q2015 largely due to increase in interest income.

Administrative expenses increased from \$3.3 million in 1Q2014 to \$6.8 million in 1Q2015 was mainly due to provision for directors' performance bonus which is in line with higher profitability for the current quarter.



Other operating expenses increased from \$3.7 million in 1Q2014 to \$6.1 million in 1Q2015 mainly due to unrealised foreign exchange loss on the amounts due to associates and fair value loss on cross currency interest rate swap (“CCS”). The CCS was taken up by the Group, as part of its interest rate risk management, to convert its AUD floating interest rate liability (on a term loan in AUD) to a fixed interest rate in SGD. Upon the maturity date of the CCS which matches that of the AUD term loan, the Group intends to exchange SGD for AUD principal (based on the pre-agreed exchange rate) and use the AUD principal to repay the term loan in AUD. As such, any fair value differences recorded prior to the maturity of CCS will be reversed to the income statement upon maturity date.

Depreciation expense increased from \$1.0 million in 1Q2014 to \$1.1 million in 1Q2015 mainly due to commencement of depreciation of property, plant and equipment in 4Q2014 following the completion of acquisition of hotel assets in Kyoto, Japan and Phuket, Thailand.

Finance costs increased from \$1.6 million in 1Q2014 to \$3.0 million in 1Q2015 mainly due to term loans for the acquisition of 59 Goulburn and hotel assets in Kyoto and Phuket, working capital loan as well as higher interest rate in the current quarter compared to previous corresponding quarter.

The Group’s share of results of associates increased from \$1.0 million to \$2.7 million mainly due to the profits recognised from the Eon Shenton and Natura@Hillview.

The Group’s profit after taxation increased by 210% from \$15.0 million in 1Q2014 to \$46.3 million in 1Q2015.

(iv) Cashflow, working capital and Balance Sheet

The Group’s non-current assets comprise property, plant and equipment, investment properties, investment in associates and available-for-sale financial assets. As at 31 March 2015, this amounted to \$414.1 million and represented 30% of the total assets.

Property, plant and equipment accounted for \$121.3 million or 29% of total non-current assets as at 31 March 2015. Available-for-sale financial assets comprise equity securities listed on the Singapore Exchange valued at \$1.6 million as at 31 March 2015.

Investment in associates increased from \$69.0 million as at 31 December 2014 to \$119.0 million as at 31 March 2015 mainly due to equity loans granted to associates in 1Q2015 and share of profits from the joint-venture projects.

Investment properties decreased from \$175.7 million as at 31 December 2014 to \$172.2 million as at 31 March 2015 due to exchange loss on translation of property in 59 Goulburn Street in 1Q2015.

The Group’s current assets comprise mainly properties for sale under development, inventories, trade and other receivables and cash and cash equivalents. As at 31 March 2015, this amounted \$987.6 million and represented 70% of the Group’s total assets. Properties for sale under development amounted to \$511.1 million or 52% of total current assets as at 31 March 2015. The decrease in properties for sale under development from \$541.8 million as at 31 December 2014 to \$511.1 million as at 31 March 2015 was mainly due to TOP obtained for Centropod@Changi during 1Q2015 as well as increase in progress claims billed to purchasers during the period.

Trade receivables amounted to \$50.6 million as at 31 March 2015 and comprised mainly of progress payments receivable from purchasers for projects under construction and unbilled revenue portion of the recognised sales from the completed projects. The decreased in trade receivables from \$73.3 million as at 31 December 2014 to \$50.6 million as at 31 March 2015 was mainly due to collections from purchasers from completed projects.



Other receivables comprise mainly deposits, prepayments and other receivables. The decrease in other receivables from \$36.2 million as at 31 December 2014 to \$10.6 million as at 31 March 2015 was mainly due to classification of loan to associates as quasi-equity under investments in associates.

At Company level, other receivables decreased from \$4.3 million as at 31 December 2014 to \$1.6 million as at 31 March 2015 mainly due to collection of management fees in 1Q2015.

At Company level, amounts due from subsidiaries increased from \$191.9 million as at 31 December 2014 to \$195.5 million as at 31 March 2015 was mainly due to advances to subsidiaries for land acquisitions.

At Group level, as at 31 March 2015, project accounts, fixed deposits and cash and bank balances, less restricted cash amounted to \$359.1 million.

The Group recorded net cash inflows from operating activities of \$117.9 million in 1Q2015, as compared to net cash inflows of \$22.2 million in 1Q2014. The increase in net cash inflows from operating activities was mainly due to a decrease in properties for sale under development in 1Q2015 compared to 1Q2014, and higher operating profit in 1Q2015.

The Group recorded a net cash outflows from investing activities of \$19.8 million in 1Q2015, mainly due to loans to associates.

The net cash outflows from financing activities of \$154.4 million in 1Q2015 was mainly due to the repayment of land and working capital loans, fixed deposit pledged to banks and financial institutions to secure bank facilities, partially offset by proceeds from borrowings during the year.

The Group's current liabilities comprise trade payables, other payables, provision for taxation and bank borrowings. As at 31 March 2015, this amounted \$655.4 million and represented 69% of the total liabilities. Trade payables comprise mainly of billed progress claims from contractors and retention sums. The increase in trade payables from \$12.7 million as at 31 December 2014 to \$15.8 million as at 31 March 2015 was mainly due to GST payable on Centropod@Changi which has obtained TOP in January 2015. Other payables comprise mainly accruals for construction costs for completed projects, accruals of unbilled progress claims from contractors, hotel management fees, directors' performance bonuses and staff bonuses. The increase in other payables from \$62.9 million as at 31 December 2014 to \$68.1 million as at 31 March 2015 was mainly due to accrual of unbilled progress claims from contractors.

At Company level, amounts due to subsidiaries increased from \$256.0 million to \$284.9 million mainly due to funding extended to the holding company.

As at 31 March 2015, the Group's total borrowings amounted to \$821.3 million, with \$185.5 million repayable within one year and \$635.7 million repayable after one year. The decrease in the total borrowings from \$917.3 million as at 31 December 2014 to \$821.3 million as at 31 March 2015 was mainly due to repayment of borrowings.

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 its expectations as disclosed in the announcement of results for the full financial year ended 31 December 2014.

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

Property Development

Singapore's GDP growth for 2015 is expected to be between 2% and 4%, consistent to the 2.9% growth last year. Based on the latest advance estimates by Ministry of Trade and Industry Singapore released on 14 April 2015, the Singapore economy grew 2.1% on a year-on-year basis in the first quarter of 2015, unchanged from the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a slower pace of 1.1%, compared to 4.9% in the preceding quarter.

On the Singapore property market, overall private residential prices are expected to moderate up to 5% in 2015. However, the property market is expected to improve in 2016 as buyers recalibrate their expectations with the lowered prices and attempt to time their purchases with the expected government's easing of property measures. While the Singapore real estate market remains challenging, a report by Fitch Ratings expects Australian property prices to remain high, forecasting a 4% growth in residential property prices.

As at 24th April 2015, the Group has a balance amount of attributable progress billings of approximately \$551.9 million from the following projects, the profits of which will be progressively recognised from 2Q2015 to FY2018.

	Project name	Type of development	Group stake	Total units in project	Unit sold	Attributable total sale value ⁽¹⁾	Attributable revenue recognised up to 31 Mar 2015	Balance attributable progress billings to be recognised from 2Q2015
			%	Unit	%	\$'m	\$'m	\$'m
(A)	<u>Development properties</u>							
1	Space@Kovan	Shop	100%	56	100%	46.6	45.7	0.9
		Residential	100%	140	100%	113.1	110.9	2.2
2	Millage	Residential	48%	70	100%	23.5	11.4	12.1
		Shop	48%	86	100%	28.7	13.9	14.8
3	Natura@Hillview	Residential	49%	193	100%	72.2	63.2	9.0
4	Eon Shenton	Office	20%	98	100%	60.1	11.9	48.2
		Residential	20%	132	96%	38.6	7.6	31.0
		Shop	20%	23	100%	4.8	0.9	3.9
5	Jade Residences	Residential	100%	171	89%	187.1	64.1	123.0
		Shop	100%	2	100%	1.7	0.6	1.1
6	Whitehaven	Residential	100%	120	94%	140.8	53.9	86.9
		Shop	100%	1	100%	1.2	0.5	0.7
7	LIV on Sophia	Residential	90%	64	100%	78.5	11.9	66.6

	Project name	Type of development	Group stake	Total units in project	Unit sold	Attributable total sale value ⁽¹⁾	Attributable revenue recognised up to 31 Mar 2015	Balance attributable progress billings to be recognised from 2Q2015
8	LIV on Wilkie	Residential	90%	81	77%	80.0	7.3	72.7
9	Sunnyvale Residences	Residential	100%	30	33%	15.7	-	15.7
10	Trilive	Residential	85%	222	30%	62.4	-	62.4
		Shop	85%	2	50%	0.7	-	0.7
	Total			1,491		955.7	403.8	551.9

(1) Based on Option to Purchase granted up to 24th April 2015

In addition, the Group has the following landbank:

No	Location / Description	Type	Approximate Land Area (sq ft)	Approximate Gross Floor Area (sq ft)	Group's stake	Approximate Attributable Gross Floor Area (sq ft)	Approximate Attributable Land Cost (S\$)	Approximate Attributable Land Cost (foreign currency)
1	<u>Overseas</u> Lot 3370, Section 41, Jalan Dewan Sultan Sulaiman, Kuala Lumpur, Malaysia	Commercial & Residential Development	71,881	698,706	47%	328,391	S\$16.9m	RM42.2m
2	Geran 319775 Lot 34534 Pekan Cheras, Daerah Ulu Langat, Negeri Selangor, Malaysia*	Commercial Development	247,936	TBC	47%	TBC	S\$13.9m	RM37.3m
3	64 Peel Street and 9 Cordelia Street in Brisbane, Australia	Commercial & Residential Development	27,674	332,271	40%	132,908	S\$14.3m	AUD13.4m
4	54 & 85 Bracks Street, North Fremantle, Australia	Industrial land; to be rezoned for commercial and residential use	489,284	TBC	20.2%	TBC	S\$12.8m	AUD11.9m

* the acquisition is conditional upon the receipt of the necessary approvals/consents from the relevant authorities.

The Group recognises that Singapore remains our key market despite the property cooling measures implemented by the Singapore Government. We will continue to be very selective in identifying suitable sites with good locations and niche positioning for continued growth in Singapore.

The Group has expanded beyond Singapore into Malaysia and Australia. For overseas projects, the Group key strategy is to work closely with experienced partners for both property development and investment projects.



Hotel Ownership

For 2014, visitor arrivals dipped 3.1% from 2013 to 15.1 million. Preliminary 2014 estimates from the Singapore Tourism Board indicated that visitor arrivals this year is forecast to grow between zero and 3% and the long-established 2015 target of 17 million visitor arrivals and S\$30 billion in tourism receipts will not be met. Nonetheless, the Singapore hospitality sector's outlook remains fairly optimistic with several government initiatives to boost tourist numbers, such as the S\$20 million campaign by the Singapore Tourism Board expected to launch next month.

The Group believe that the room rates for hotel rooms in Singapore should continue to be very competitive in 2015.

The Group has recently completed the acquisition of a freehold land parcel for development of a 332-room Marriot Courtyard hotel in Perth Australia. For the Hotel in Kyoto, the Group has commenced the refurbishment works and in Phuket, the Group intends to re-develop the land into resort villas.

Outlook

Barring any unforeseen circumstances, the directors expect the Group to be profitable in 2015.

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 period.

ON BEHALF OF THE BOARD

Teo Hong Lim
Chairman & CEO

Koh Seng Geok
Executive Director & CFO

5th May 2015
Singapore



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 first quarter ended 31 March 2015 to be false or misleading in any material respect.

ON BEHALF OF THE BOARD

Teo Hong Lim
Chairman & CEO

Koh Seng Geok
Executive Director & CFO

5th May 2015
Singapore