



**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 2016

**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016**

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**UNAUDITED FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016**

**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

	First quarter ended 31 March		Change %
	2016 S\$'000	2015 S\$'000	
Revenue	102,980	198,191	-48%
Cost of sales	(79,921)	(128,009)	-38%
Gross profit	23,059	70,182	-67%
Other operating income	2,660	816	226%
Distribution and selling expenses	(643)	(523)	23%
Administrative expenses	(3,127)	(6,754)	-54%
Other operating expenses	(7,512)	(6,100)	23%
Finance costs	(3,764)	(3,037)	24%
Share of results of associates (net of income tax)	2,842	2,653	7%
Profit before taxation	13,515	57,237	-76%
Taxation	(2,587)	(10,900)	-76%
Profit after taxation	10,928	46,337	-76%
Attributable to:			
Equity holders of the Company	9,885	46,453	-79%
Non-controlling interests	1,043	(116)	n/m
	10,928	46,337	-76%

n/m: not meaningful

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

	First quarter ended		Change %
	31 March		
	2016 S\$'000	2015 S\$'000	
after charging:			
Depreciation of property, plant and equipment	1,360	1,141	19%
Amortisation of intangible assets	4	-	n/m
Directors' fees	38	38	0%
Foreign exchange loss (realised)	48	-	n/m
Foreign exchange loss (unrealised)	234	795	-71%
Impairment of investment in associates	2,455	-	n/m
Interest on borrowings	3,711	3,037	22%
Staff costs (including directors' remuneration)	5,934	8,324	-29%
Fair value loss on cross currency Interest rate swap	672	1,663	-60%
and crediting:			
Foreign exchange gain (realised)	-	5	n/m
Foreign exchange gain (unrealised)	1,642	172	n/m
Impairment loss on trade receivables written back	-	3	n/m
Interest income	878	570	54%

n/m: not meaningful

- (1) The cross currency interest rate swap ("CCS") was taken up as part of the Group's interest and foreign exchange rate risk management strategy. The CCS converts the Group's AUD floating interest rate liability (on a term loan in AUD) to a fixed interest rate in SGD. The maturity date of the CCS 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 offset within the income statement against any foreign currency differences upon maturity.

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

	First quarter ended 31 March		
	2016 S\$'000	2015 S\$'000	Change %
Profit after taxation	10,928	46,337	-76%
Other comprehensive income			
Net change in fair value of available-for-sale financial assets	15	-	n/m
Tax on other comprehensive income	(2)	-	n/m
Currency translation differences arising from consolidation	<u>2,411</u>	<u>(1,211)</u>	n/m
Other comprehensive income/(loss), net of tax	<u>2,424</u>	<u>(1,211)</u>	n/m
Total comprehensive income for the period	<u>13,352</u>	<u>45,126</u>	-70%
Attributable to:			
Equity holders of the Company	12,310	45,240	-73%
Non-controlling interests	<u>1,042</u>	<u>(114)</u>	n/m
	<u>13,352</u>	<u>45,126</u>	-70%

Total comprehensive income is arrived at:

	First quarter ended 31 March		
	2016 S\$'000	2015 S\$'000	Change %
after (crediting)/charging:			
Currency translation (gain)/loss arising from consolidation	(2,411)	1,211	n/m

n/m: not meaningful



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

	GROUP		COMPANY	
	31-Mar-16 S \$'000	31-Dec-15 S\$'000	31-Mar-16 S \$'000	31-Dec-15 S\$'000
ASSETS				
Non-Current				
Available-for-sale financial assets	1,462	1,447	-	-
Property, plant and equipment	129,376	129,680	941	949
Investments in subsidiaries	-	-	180,877	110,570
Investments in associates	88,057	60,460	-	-
Investment properties	179,588	179,768	-	-
Intangible assets	81	86	-	-
Amount due from associates	61,812	66,695	-	-
	460,376	438,136	181,818	111,519
Current				
Properties for sale under development ⁽¹⁾	631,134	516,545	-	-
Inventories	126	126	-	-
Trade receivables	41,329	28,850	10	6
Other receivables	12,591	30,113	12,873	8,445
Amount due from subsidiaries	-	-	223,959	235,928
Project accounts	71,208	82,154	-	-
Fixed deposits	222,418	220,486	176,878	181,095
Cash and bank balances	53,619	92,372	17,647	47,247
	1,032,425	970,646	431,367	472,721
Total assets	1,492,801	1,408,782	613,185	584,240
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	47,399	47,399	47,399	47,399
Fair value reserve	81	68	-	-
Translation reserve	(5,671)	(8,083)	1,838	(229)
Retained earnings	428,082	418,197	71,414	71,388
Equity attributable to owners of the Company	469,891	457,581	120,651	118,558
Non-controlling interests	1,671	629	-	-
	471,562	458,210	120,651	118,558
Liabilities				
Non-Current				
Bank borrowings	321,376	322,786	60,000	60,000
Deferred tax liabilities	23,169	21,328	-	-
	344,545	344,114	60,000	60,000
Current				
Trade payables	11,878	11,760	62	82
Other payables	77,340	84,792	1,450	2,872
Amount due to subsidiaries	-	-	383,490	357,880
Provision for taxation	25,322	24,958	60	-
Bank borrowings	562,154	484,948	47,472	44,848
	676,694	606,458	432,534	405,682
Total liabilities	1,021,239	950,572	492,534	465,682
Total equity and liabilities	1,492,801	1,408,782	613,185	584,240

(1) \$360.2 million (31-Dec-15: \$342.7 million) relates to the Group's pre-sold development properties as at 31 March 2016.

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

	31-Mar-16			31-Dec-15		
	Secured S\$'000	Unsecured S\$'000	Total S\$'000	Secured S\$'000	Unsecured S\$'000	Total S\$'000
Current						
- Amount repayable in one year or less, or on demand	337,337 (i) (ii)	1,000	338,337	286,671	1,000	287,671
- Amount repayable after one year but within the normal operating cycle of Property Development segment	223,817	-	223,817	197,277	-	197,277
	561,154	1,000	562,154	483,948	1,000	484,948
Non-current						
Amount repayable after one year	261,376	60,000 (iii)	321,376	262,786	60,000	322,786
	822,530	61,000	883,530	746,734	61,000	807,734

Details of collaterals

The borrowings are secured by;

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

(i) \$154.5 million relates to our sold development project properties and is expected to be repaid by 31 March 2017 upon obtaining Temporary Occupation Permits ("TOP") and collections from buyers of the properties.

(ii) \$46.5 million loan is secured by fixed deposits.

(iii) \$60.0 million, included within non-current borrowings represents a held-to-maturity multi-currency note ("MTN"), which is unsecured and repayable in 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.

	First quarter ended	
	31 March	
	2016	2015
	S\$'000	S\$'000
Cash Flows from Operating Activities		
Profit before taxation	13,515	57,237
Adjustments for:		
Depreciation of property, plant and equipment	1,360	1,141
Amortisation of intangible assets	4	-
Fair value loss on cross currency interest rate swap	672	1,663
Share of results of associates	(2,842)	(2,653)
Impairment loss on associate	2,455	-
Interest income	(878)	(570)
Interest expense on bank borrowings	3,711	3,037
Foreign exchange (gain)/loss (unrealised)	(1,408)	623
Operating profit before working capital changes	<u>16,589</u>	60,478
Changes in inventories	-	3
Changes in operating receivables	(5,156)	21,773
Changes in operating payables	(2,886)	3,290
Changes in properties for sale under development	<u>(112,240)</u>	32,672
Cash (used in)/generated from operations	<u>(103,693)</u>	118,216
Income tax paid	(376)	(60)
Cash (used in)/generated from operating activities	<u>(104,069)</u>	118,156
Cash Flows from Investing Activities		
Dividend Income from investment in associate	2,450	1,350
Repayment from associates	1,832	8,503
Loan to associates	(19,472)	(29,452)
Acquisition of property, plant and equipment	(616)	(491)
Interest received	977	328
Net cash used in investing activities	<u>(14,829)</u>	(19,762)
Cash Flows from Financing Activities		
Proceeds from borrowings	99,128	49,407
Repayment of borrowings	(23,238)	(142,869)
Fixed deposit pledged to banks and financial institutions	(5,972)	(56,000)
Interest paid	(6,340)	(4,950)
Proceeds from issue of share to non-controlling interest	-	1
Cash generated from/(used in) financing activities	<u>63,578</u>	(154,411)

	First quarter ended	
	31 March	
	2016	2015
	S\$'000	S\$'000
Net decrease in cash and cash equivalents	(55,320)	(56,017)
Cash and cash equivalents at beginning of period	312,983	415,316
Effects of foreign currency translation	1,582	(218)
Cash and cash equivalents at end of period	<u>259,245</u>	<u>359,081</u>
 <u>Analysis of cash and cash equivalents:-</u>		
Project accounts ⁽¹⁾	21,708	121,980
Fixed deposits in project accounts ⁽¹⁾	49,500	40,000
Fixed deposits	222,418	178,743
Cash and bank balances	53,619	74,386
Less: Fixed deposits pledged to banks and financial institutions	(88,000)	(56,028)
	<u>259,245</u>	<u>359,081</u>

⁽¹⁾ 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	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 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
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
Balance at 1 January 2016	47,399	68	(8,083)	418,197	457,581	629	458,210
Total Comprehensive income for the period							
Profit for the period	-	-	-	9,885	9,885	1,043	10,928
Comprehensive income for the period	-	-	-	9,885	9,885	1,043	10,928
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	-	15	-	-	15	-	15
Tax on other comprehensive income	-	(2)	-	-	(2)	-	(2)
Foreign currency translation differences	-	-	2,412	-	2,412	(1)	2,411
Total other comprehensive income for the period	-	13	2,412	-	2,425	(1)	2,424
Total Comprehensive income for the period	-	13	2,412	9,885	12,310	1,042	13,352
Balance at 31 March 2016	47,399	81	(5,671)	428,082	469,891	1,671	471,562

Company	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 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)
Other Comprehensive income							
Total other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(63)	(63)	-	(63)
Balance at 31 March 2015	47,399	-	-	40,580	87,979	-	87,979
Balance at 1 January 2016	47,399	-	(229)	71,388	118,558	-	118,558
Total comprehensive income for the period						-	-
Profit for the period	-	-	-	26	26	-	26
Total comprehensive income for the period	-	-	-	26	26	-	26
Other Comprehensive income							
Foreign currency translation difference			2,067	-	2,067	-	2,067
Total other comprehensive income for the period	-	-	2,067	-	2,067	-	2,067
Total comprehensive income for the period	-	-	2,067	26	2,093	-	2,093
Balance at 31 March 2016	47,399	-	1,838	71,414	120,651	-	120,651



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Holdings Limited**

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

There were no changes in the Company's share capital during the first quarter ended 31 March 2016.

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-16</u>	<u>31-Dec-15</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 followed accounting policies and applied consistent methods of computation for the financial information of the current financial period as compared to the audited financial statements as at 31 December 2015.

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/year	First quarter ended 31 March	
	2016	2015
(a) Based on the weighted average number of ordinary shares on issue (cents)	0.83	3.89
(b) On fully diluted basis (cents)	0.83	3.89
Profit attributable to equity holders of the Company (\$'000)	9,885	46,453
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-16	31-Dec-15	31-Mar-16	31-Dec-15
Net asset value (“NAV”) per ordinary shares based on total issue of 1,193,549,994 ordinary shares (cents)	39.37	38.34	10.11	9.93

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, Noku Kyoto Hotel in Kyoto, Japan and hotel property in Phuket, Thailand) and own use premises over their carrying amounts. As at 31 March 2016, our directors estimated that the fair value of these properties to be \$588.3 million (31 December 2015: \$588.3 million) mainly based on valuation carried out by an independent valuer on 31 December 2015, using the investment method and direct comparison method. The revaluation surplus is estimated to be approximately \$464.8 million (31 December 2015: \$463.4 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-16	31-Dec-15
ANAV per ordinary share based on total issue of 1,193,549,994 ordinary (cents)	78.32	77.16

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 Segment

GROUP	First quarter ended 31-March		Change Increase/ (Decrease)		
	2016 S\$'000	2015 S\$'000		%	
REVENUE					
Property Development	88,302	86%	184,304	93%	-52%
Hotel Ownership	11,678	11%	10,921	6%	7%
Property Investment	3,000	3%	2,966	1%	1%
	102,980	100%	198,191	100%	-48%
GROSS PROFIT					
Property Development	14,084	61%	61,461	88%	-77%
Hotel Ownership	6,825	30%	6,655	9%	3%
Property Investment	2,150	9%	2,066	3%	4%
	23,059	100%	70,182	100%	-67%
GROSS PROFIT MARGIN (%)					
Property Development	16%		33%		-17%
Hotel Ownership	58%		61%		-2%
Property Investment	72%		70%		2%
Total	22%		35%		-13%
ADJUSTED EBITDA					
Property Development	18,251	77%	62,426	92%	-71%
Hotel Ownership	3,577	15%	3,561	5%	0%
Property Investment - Rental income	1,833	8%	1,996	3%	-8%
	23,661	100%	67,983	100%	-65%
PROFIT BEFORE TAX					
Adjusted EBITDA	23,661		67,983		-65%
Corporate expenses	(5,166)		(5,392)		-4%
Depreciation of property, plant and equipment	(1,360)		(1,141)		19%
Finance costs, net	(2,833)		(2,467)		15%
Net unrealised foreign exchange loss	(115)		(83)		39%
Fair value loss on cross currency interest rate swap	(672)		(1,663)		-60%
	13,515		57,237		-76%

(ii) Geographical segments

	Singapore	Australia	Japan	Thailand	Malaysia	Hong Kong	Indonesia	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
First quarter ended								
31 March 2016	99,452	2,558	931	39	-	-	-	102,980
31 March 2015	195,610	2,522	-	59	-	-	-	198,191
Non-current assets								
As at 31 March 2016	181,606	176,930	35,705	15,775	22,350	24,012	3,998	460,376
As at 31 December 2015	182,048	159,436	34,969	16,014	17,659	24,012	3,998	438,136
Total assets								
As at 31 March 2016	1,077,708	310,277	38,288	16,163	22,350	24,014	4,001	1,492,801
As at 31 December 2015	1,116,082	192,866	37,955	16,210	17,659	24,012	3,998	1,408,782

1Q2016 vs 1Q2015

(i) Revenue

The Group achieved revenue of \$103.0 million in 1Q2016, 48% lower than 1Q2015 of \$198.2 million. This was mainly from a decrease in revenue from the Property Development segment, partly offset by an increase in revenue from the Hotel Ownership and Property Investment segments.

(a) Property Development

Revenue from the Property Development segment, which made up 86% of the Group's turnover in 1Q2016, declined 52% to \$88.3 million in 1Q2016 from \$184.3 million in 1Q2015. The decrease was largely due to an absence of revenue recognition from completion of Centropod@Changi, a commercial development project which obtained its Temporary Occupation Permit ("TOP") in 1Q2015. The decrease was partially offset with revenue recognised from Whitehaven, Trilive and LIV on Sophia in 2016.

(b) Hotel Ownership and Property Investment

Revenue from the Hotel Ownership segment, which contributed 11% to the Group's turnover, rose by 7% to \$11.7 million from \$10.9 million in 1Q2015. Grand Mercure Roxy Hotel ("GMRH") maintained an average occupancy rate ("AOR"), average room rate ("ARR") and revenue per available room ("RevPar") of 89.1%, \$163.9 and \$146.0 in 1Q2016 respectively, as compared to 1Q2015 (AOR: 87.2%, ARR: \$172.5 and RevPar: \$150.4).

Revenue from the Property Investment segment, which was consistent with 1Q2015, constituted the balance of the Group's turnover of 3%. The segment generated revenue of \$3.0 million in 1Q2016.

(ii) Cost of sales and gross profit

Cost of sales decreased by \$48.1 million or 38% to \$79.9 million in 1Q2016 from \$128.0 million in 1Q2015.

Gross profit from the Property Development segment, contributed \$14.1 million or 61% of the Group's total gross profit, with the remaining 39% or \$9.0 million contributed by Hotel Ownership and Property Investment segments. The gross profit margin of the Property Development segment decreased to 16% in 1Q2016 from 33% in 1Q2015. This was mainly due to higher profit margins from Centropod@Changi in 1Q2015. The gross profit margin of the Hotel Ownership segment decreased 2 percentage points to 58% in 1Q2016 as compared to 61% in 1Q2015 mainly due to lower RevPar in 1Q2016. Gross profit margin of the Property Investment segment increased 2 percentage points to 72% in 1Q2016 from 70% in 1Q2015.

The Group's overall gross profit margin in 1Q2016 was 22%, 13 percentage points lower as compared to 1Q2015 of 35%.

(iii) Profit for the period

The Group's other operating income increased to \$2.7 million in 1Q2016 from \$0.8 million in 1Q2015 mainly due to unrealised foreign exchange gain from revaluation of amounts due from/(to) associates and higher interest income from fixed deposits in 1Q2016.

Distribution and selling expenses increased by \$0.1 million to \$0.6 million in 1Q2016 from \$0.5 million in 1Q2015 mainly due to marketing expenses and showflat expenses incurred for development projects.

Administrative expenses decreased by \$3.7 million to \$3.1 million in 1Q2016 from \$6.8 million in 1Q2015 mainly due to lower provision for directors' performance bonus which is in line with lower profitability of the Group.

Other operating expenses increased by \$1.4 million to \$7.5 million in 1Q2016 from \$6.1 million in 1Q2015 mainly due to higher depreciation expense in 1Q2016 as well as provision for impairment of investment in associate in Australia. The provision was required mainly due to stamp duty charges incurred on acquisition of 117 Clarence Street in the current quarter. The increased was partly offset by lower unrealised foreign exchange loss from revaluation on amounts due to associates and subsidiaries.

Depreciation expense increased from \$1.1 million in 1Q2015 to \$1.4 million in 1Q2016 mainly due to commencement of depreciation following completion of refurbishment works for Noku Kyoto hotel in Kyoto, Japan and our head office in Singapore during the second half year of 2015.

Finance cost increased \$0.8 million to \$3.8 million in 1Q2016 from \$3.0 million in 1Q2015 mainly due to MTN Series Notes issued on July 2015 and working capital loans obtained to fund new investment in associates.

The Group's share of after tax results from associates for 1Q2016 increased marginally to \$2.8 million compared to \$2.7 million in 1Q2015.

The Group's profit after taxation decreased to \$10.9 million in 1Q2016 from \$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, intangible assets and available-for-sale financial assets. As at 31 March 2016, this amounted to \$460.4 million and represented 31% of the Group's total assets.

The Group's property, plant and equipment decreased \$0.3 million to \$129.4 million from \$129.7 million as at 31 December 2015 and accounted for 28% of total non-current assets of the Group as at 31 March 2016. Available-for-sale financial assets comprised equity securities listed on the Singapore Exchange. As at 31 March 2016, these liquid securities were valued at \$1.5 million.

Investment in associates and long term amount due from associates increased \$22.7 million to \$149.9 million as at 31 March 2016 from \$127.2 million as at 31 December 2015. This was mainly from equity loans granted to associates in 1Q2016.

Investment properties decreased to \$179.6 million as at 31 March 2016 from \$179.8 million as at 31 December 2015. The decrease was attributed to unrealised foreign exchange loss on translation of 59 Goulburn Street, Australia in 1Q2016.

At the Company level, investments in subsidiaries increased to \$180.9 million from \$110.6 million mainly due to conversion of long-term amounts due from subsidiaries to investment in subsidiaries.

The Group's current assets mainly comprise of properties for sale under development, trade and other receivables and cash and cash equivalents. As at 31 March 2016, these assets amounted to \$1.0 billion and represented 69% of the Group's total assets. Properties for sale under development amounted to \$631.1 million or 61% of total current assets as at 31 March 2016. The increase in properties for sale under development from \$516.5 million as at 31 December 2015 to \$631.1 million as at 31 March 2016 were mainly due to completion of acquisition of development sites in Australia and Singapore in 1Q2016.

Trade receivables amounted to \$41.3 million as at 31 March 2016 and comprised mainly of progress payments receivable from purchasers and unbilled revenues for progressive completion of projects under development. The increase in trade receivables to \$41.3 million as at 31 March 2016 from \$28.9 million as at 31 December 2015 was mainly due to progress payments receivable from on-going projects in 1Q2016.

Other receivables comprise mainly deposits, prepayments and other receivables. The decrease in other receivables to \$12.6 million as at 31 March 2016 from \$30.1 million as at 31 December 2015 was mainly due to release of deposits on completion of acquisition of development sites in Australia and Singapore and repayment from associates.

At the Company level, other receivables increased to \$12.9 million as at 31 March 2016 from \$8.4 million as at 31 December 2015 mainly due to accrual of management fees and deposit for the purchase of the Maldives resort. The amounts due from subsidiaries decreased to \$224.0 million as at 31 March 2016 from \$235.9 million as at 31 December 2015 mainly due to repayment from subsidiaries.

At the Group level, at 31 March 2016, project accounts, fixed deposits and cash and bank balances, less restricted cash amounted to \$259.2 million.

The Group recorded net cash outflows from operating activities of \$104.1 million in 1Q2016 as compared to net cash inflows of \$118.2 million in 1Q2015. This was mainly due to lower profits in 1Q2016 and cash outflows on acquisition of development sites.

The Group recorded net cash outflows from investing activities of \$14.8 million in 1Q2016, mainly due to long term equity loans to associate for acquisition of investment property.

The Group recorded net cash inflows from financing activities of \$63.6 million in 1Q2016 mainly due to proceeds from borrowings for completion of development sites.

The Group's current liabilities comprise trade payables, other payables, provision for taxation and bank borrowings. As at 31 March 2016, this amounted \$676.7 million and represented 66% of total liabilities. Trade payables comprised mainly of progress claims from contractors and retention sums held. Other payables comprise mainly accruals for construction costs for completed projects, accruals for unbilled contractor progress claims, hotel management fees, staff and directors' performance bonus. The decrease in other payables from \$84.8 million as at 31 December 2015 to \$77.3 million as at 31 March 2016 was mainly due to payment to an associate company and other accrued expenses.

At the Company level, the increase in amounts due to subsidiaries from \$357.9 million to \$383.5 million as of 31 March 2016 was mainly due to inter-group transfers for investment funding purposes.

The Group's non-current liabilities comprise bank borrowings and deferred tax liabilities. As at 31 March 2016, this amounted to \$344.5 million and represented 34% of total liabilities.

As at 31 March 2016, the Group's total borrowings amounted to \$883.5 million, with \$338.3 million repayable within one year and \$545.2 million repayable after one year. The increase in the total borrowings of \$75.8 million to \$883.5 million as at 31 March 2016 from \$807.7 million as at 31 December 2015 was mainly from loan drawdowns on completion of acquisition of new development sites.

At the Company level, total borrowings amounted to \$107.5 million, with \$47.5 million repayable within one year and \$60.0 million repayable after one year. The increase in total borrowings to \$107.5 million as at 31 March 2016 from \$104.8 million as at 31 December 2015 was mainly to drawdown of working capital loans to fund the deposit on acquisition of the resort in Maldives.

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 our full financial year announcement ending 31 December 2015.

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

Advance estimates by the Ministry of Trade and Industry ("MTI") indicated that Singapore's economy grew by 1.8% year-on-year ("y-o-y") basis in 1Q2016, the same pace of growth as in the previous quarter. Growth was flat on a quarter-on-quarter seasonally-adjusted annualised basis, in contrast to the 6.2% expansion in the preceding quarter¹.

The Australian bureau of Statistics has shown annual growth in GDP of 3.0%, (seasonally adjusted) year on year². The Reserve Bank of Australia expects growth to remain steady at between 2.5% and 3.5% to December 2016, slightly better than the forecast in November with headline inflation of between 2.0% and 3.0% per cent for the same period³.

¹ <https://www.mti.gov.sg/NewsRoom/Pages/Singapore-GDP-Grew-by-1.8-Per-Cent-in-the-First-Quarter-of-2016.aspx>

² <http://www.abs.gov.au/ausstats/abs@.nsf/mf/5206.0>

³ <http://www.abc.net.au/news/2016-02-05/rba-cautiously-upbeat-on-australian-economy/7143358>



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Based on the latest statistics released by the Urban Redevelopment Authority on 1 April 2016, the overall private residential property index fell 1.0 point to 140.6 points in 1Q2016 from 141.6 points in 4Q2015, representing a decline of 0.7% in 1Q2016, compared to a narrower decline of 0.5% in 4Q2015. The authorities have reiterated that the cooling measures will be maintained and the Government will continue to monitor factors such as interest rates and economic growth, making adjustments when necessary⁴.

For Australia, the price index for residential properties for the weighted average of the eight capital cities rose 0.2% in the final quarter of 2015 or 8.7% for the whole of 2015.

Overall, residential property prices for the whole of 2015 rose in Sydney (+13.9%), Melbourne (+9.6%), Brisbane (+4.2%), and Adelaide (+3.3%) and fell in Darwin (-3.2%) and Perth (-2.9%)⁵.

As at 25th April 2016, based on units sold from the following ongoing development projects, the Group has total attributable pre-sale revenue of \$341.8 million, profits of which will be progressively recognised from 2Q2016 to FY2020.

Project name	Type of development	Group stake	Total units in project	Unit sold	Attributable total sale value ⁽⁶⁾	Attributable revenue recognised up to 31 Mar 2016	Balance attributable progress billings to be recognised from 2Q2016
Singapore							
1 Millage	Residential	48%	70	100%	23.5	22.6	0.9
	Shop	48%	86	100%	28.7	27.5	1.2
2 Eon Shenton	Office	20%	98	100%	60.1	26.8	33.3
	Residential	20%	132	95%	38.1	17.0	21.1
	Shop	20%	23	100%	4.8	2.1	2.7
3 Jade Residences	Residential	100%	171	100%	216.7	181.8	34.9
	Shop	100%	2	100%	1.7	1.4	0.3
4 Whitehaven	Residential	100%	120	95%	142.8	140.0	2.8
	Shop	100%	1	100%	1.2	1.2	-
5 LIV on Sophia	Residential	90%	64	100%	78.5	50.0	28.5
6 LIV on Wilkie	Residential	90%	81	83%	86.1	37.5	48.6
7 Sunnyvale Residences	Residential	100%	30	57%	26.5	9.3	17.2
8 Trilive	Residential	85%	222	52%	109.0	12.3	96.7
	Shop	85%	2	50%	0.7	0.1	0.6
Malaysia							
9 Wisma Infinitum	Residential	47%	423	38%	28.7	-	28.7
Australia							
10 Octavia Killara	Residential	100%	43	49%	24.3	-	24.3
Total			1,568		871.4	529.6	341.8

⁴ <https://www.ura.gov.sg/uol/media-room/news/2016/apr/pr16-22.aspx>

⁵ <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6416.0>

⁶ includes Option to Purchase granted up to 25 April 2016



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In addition, the Group has the following portfolio of properties:

	Location / Description	Type	Approximate Land Area (sq m)	Approximate Gross Floor Area (sq m)	Group's stake	Approximate Attributable Gross Floor Area (sq m)	Approximate Attributable Land Cost (SGD)	Approximate Attributable Land Cost (foreign currency)
<u>Singapore</u>								
1	26 Sea Avenue	25 units of Residential Development	1,809	2,533	100%	2,533	S\$21.5m	NA
2	178 & 180A Jalan Eunus	32 units of Residential Development	1,601	2,242	100%	2,242	S\$14.2m	NA
<u>Overseas</u>								
1	64 Peel Street & 9 Cordelia Street in Brisbane, Australia	426 units of Residential & 3 units of Commercial Development	2,571	30,869	40%	12,348	S\$14.3m	AUD13.4m
2	54 & 85 Bracks Street, North Fremantle, Australia	Industrial Land; to be rezoned for Commercial & Residential use	45,456	TBC	20.2%	TBC	S\$12.8m	AUD11.9m
3	37-41 Bayswater Road, Potts Point, NSW, Australia	46 units of Residential & 1 unit of Commercial Development	930	3,581	100%	TBC	S\$28.5m	AUD27.5m
4	No. 14 Cowper Street and No. 8 Elger Street, Glebe, Australia	248 units of Residential Development	7,125	18,960	100%	18,960	S\$69.7m	AUD67.4m
Total			59,492				S\$161.0m	

The Group will focus to launch these development sites in FY2016 and FY2017.



Roxy-Pacific Holdings Limited

Hotel Ownership

Latest statistics from the Singapore Tourism Board (“STB”) released on 29 February 2016 demonstrated a 0.9% year-on-year growth in international visitor arrivals for the period between January to December 2015, receiving a total of 15.2 million visitors for the 12-month period. For 2016, STB forecasts tourism receipts to be in the range of \$22.0 to \$22.4 billion (0% to 2.0% growth) and international visitor arrivals in the range of 15.2 to 15.7 million (0% to 3.0% growth)⁷.

The STB has also announced that the tourism industry will receive a \$700.0 million injection over the next five years through the latest tranche of the Tourism Development Fund, designed to help the industry reposition itself for growth with an eye on near-term headwinds and future opportunities. Additionally, the STB will continue aggressive marketing efforts in key source markets, secondary cities and emerging countries, support MICE events that bring in large numbers of higher-yield visitors and work towards other initiatives to further its vision to present Singapore as “a single, unified, mega attraction” such as aggregating information on the services, events and promotions of local tourism players⁸.

The Group has officially opened its first upscale boutique hotel in Kyoto, Japan, under the new *Noku Roxy* brand name in November last year. With the Noku Kyoto hotel seeing warm reception since opening, the Group looks forward to bringing this new hospitality brand to the rest of Asia, with Phuket scheduled next, with a targeted opening by 2018.

Additionally, the Group has also recently entered into an agreement to acquire a hotel and the leasehold interests of an island in the Maldives, which it plans to add to the Group’s portfolio of upscale boutique hotels and resorts. Where feasible, the Group plans to self-manage these hospitality assets to develop its hotel management expertise and branding, thereby strengthening recurring income streams.

Outlook

Barring any unforeseen circumstances, the directors expect the Group to be profitable in 2016.

⁷ <https://www.stb.gov.sg/news-and-publications/lists/newsroom/dispform.aspx?ID=643>

⁸ <http://www.businesstimes.com.sg/government-economy/singapore-tourism-industry-to-get-s700-million-boost-over-next-five-years>



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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

Not 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 year.

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 Officer 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 & CFO

5th May 2016
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 first quarter ended 31 March 2016 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 2016
Singapore