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 2017

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

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

Consolidated Income Statement

	Note	First quarter ended 31 March 2017 S$'000	2016 S$'000	Change %
Revenue	A.1	**65,430**	102,980	-36%
Cost of sales	A.2	**(49,112)**	(79,921)	-39%
Gross profit	A.2	**16,318**	23,059	-29%
Other operating income	A.3	**3,505**	2,660	32%
Distribution and selling expenses	A.4	**(771)**	(643)	20%
Administrative expenses	A.5	**(2,032)**	(3,127)	-35%
Other operating expenses	A.6	**(6,727)**	(7,512)	-10%
Finance costs		**(3,747)**	(3,764)	0%
Share of results of associates (net of income tax)		**2,619**	2,842	-8%
Profit before taxation		**9,165**	13,515	-32%
Taxation		**(2,852)**	(2,587)	10%
Profit after taxation		**6,313**	10,928	-42%
Attributable to:				
Equity holders of the Company		**5,908**	9,885	-40%
Non-controlling interests	A.7	**405**	1,043	-61%
		6,313	10,928	-42%

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

	Note	First quarter ended 31 March 2017 S$'000	2016 S$'000	Change %
after crediting:				
Foreign exchange gain (realised)		**6**	-	n/m
Foreign exchange gain (unrealised)	A.8	**1,197**	1,642	-27%
Interest income		**675**	878	-23%
Fair value gain on cross currency interest rate swap	A.9	**1,409**	-	n/m
after charging:				
Depreciation of property, plant and equipment	A.6	**(1,755)**	(1,360)	29%
Amortisation of intangible assets		**(4)**	(4)	-
Directors' fees		**(38)**	(38)	-
Foreign exchange loss (realised)		**(13)**	(48)	-73%
Foreign exchange loss (unrealised)	A.10	**(1,053)**	(234)	n/m
Provision for doubtful debt		**(12)**	-	n/m
Impairment of investment in associates		-	(2,455)	n/m
Interest on borrowings		**(3,696)**	(3,711)	-0.4%
Staff costs (including directors' remuneration)	A.11	**(5,263)**	(5,934)	-11%
Fair value loss on cross currency interest rate swap	A.9	-	(672)	n/m

n/m: not meaningful

Notes to Consolidated Income Statement:

A.1 Revenue decreased mainly due to lower contribution from the Property Development and Hotel Ownership segments. Please refer to paragraph 8(a) for a more detailed analysis.

A.2 Cost of sales decreased in line with lower revenue. Gross profit was lower mainly due to lower contribution from Property Development segment. Please refer to paragraph 8(a) for a more detailed analysis.

A.3 Other operating income increased mainly due to fair value gain on cross currency interest rate swap in 1Q2017, partially offset by lower unrealised foreign exchange gain (refer to explanatory note A.8). In 1Q2016 a fair value loss on cross currency interest rate swap was recorded in other operating expenses. Please refer to explanatory note A.9.

A.4 Distribution and selling expenses was higher mainly due to marketing and showflat expenses incurred for development properties.

A.5 The decrease in administrative expense was mainly due to no provision for directors' performance bonus in 1Q2017 as a result of lower profits during the quarter.

A.6 Other operating expenses decreased mainly due to absence of provision for impairment of investment in associate in 1Q2017 and this was partially offset by higher unrealised foreign exchange loss (refer to explanatory note A.10) and higher depreciation expense. Depreciation expense increased mainly due to depreciation of resort property in Maldives which was acquired in 2Q2016.

A.7 Non-controlling interests decreased from $1.0 million in 1Q2016 to $0.4 million in 1Q2017 mainly due to lower share of profits recognised from LIV on Sophia and LIV on Wilkie.

A.8 Foreign exchange gain decreased mainly due to the absence of exchange gain on Malaysian Ringgit following the conversion of long term amount due from an associate to investment in associate. 1Q2017 exchange gain arose mainly from depreciation of HKD payables against SGD.

A.9 The fair value gain / (loss) on cross currency interest rate swap ("CCS") is recorded in other operating income / (expense).

The 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.

A.10 Foreign exchange loss increased mainly due to appreciation of AUD bank borrowings.

A.11 Overall staff costs decreased mainly due to no provision for directors' performance bonus.

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

		First quarter ended 31 March		
		2017	**2016**	**Change**
		S$'000	**S$'000**	**%**
Profit after taxation		**6,313**	10,928	-42%
Other comprehensive income				
Net change in fair value of available-for-sale financial assets		**45**	15	200%
Tax on other comprehensive income		**(7)**	(2)	258%
Currency translation differences arising from consolidation	A.12	**7,346**	2,411	205%
Other comprehensive profit, net of tax		**7,384**	2,424	205%
Total comprehensive income for the period		**13,697**	13,352	3%
Attributable to:				
Equity holders of the Company		**13,543**	12,310	10%
Non-controlling interests		**154**	1,042	-85%
		13,697	13,352	3%

A.12 Currency translation differences arose mainly from appreciation of AUD against SGD during the quarter.

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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.

	Note	GROUP 31-Mar-17 S$'000	GROUP 31-Dec-16 S$'000	COMPANY 31-Mar-17 S$'000	COMPANY 31-Dec-16 S$'000
ASSETS					
Non-Current					
Property, plant and equipment		**175,117**	175,527	**831**	847
Intangible assets		**64**	68	-	-
Investment properties	B.1	**201,814**	198,835	-	-
Investment in subsidiaries	B.2	-	-	**197,797**	189,404
Investment in associates	B.3	**153,654**	146,458	-	-
Amounts due from associates		**11,519**	11,264	-	-
Available-for-sale financial assets	B.4	**1,470**	1,425	-	-
		543,638	533,577	**198,628**	190,251
Current					
Development properties for sale*	B.5	**480,632**	486,369	-	-
Inventories		**806**	784	-	-
Trade receivables	B.6	**88,700**	93,145	**9**	8
Other receivables	B.7	**14,697**	22,418	**246,521**	251,582
Cash and bank balances		**348,127**	325,325	**162,798**	156,715
		932,962	928,041	**409,328**	408,305
Total assets		**1,476,600**	1,461,618	**607,956**	598,556
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital		**47,399**	47,399	**47,399**	47,399
Treasury shares		**(564)**	(555)	**(564)**	(555)
Fair value reserve		**88**	50	-	-
Translation reserve		**5,197**	(2,149)	**7,313**	4,187
Retained earnings		**452,426**	446,518	**81,982**	68,392
Equity attributable to owners of the Company		**504,546**	491,263	**136,130**	119,423
Non-controlling interests		**3,899**	3,745	-	-
		508,445	495,008	**136,130**	119,423
Liabilities					
Non-Current					
Bank borrowings	B.11	**268,261**	270,549	**60,000**	60,000
Deferred tax liabilities		**32,465**	33,094	**168**	168
		300,726	303,643	**60,168**	60,168
Current					
Trade payables	B.8	**11,506**	15,550	**26**	58
Other payables	B.9	**78,948**	83,165	**347,182**	355,448
Provision for taxation	B.10	**5,798**	2,104	**307**	217
Bank borrowings	B.11	**571,177**	562,148	**64,143**	63,242
		667,429	662,967	**411,658**	418,965
Total liabilities		**968,155**	966,610	**471,826**	479,133
Total equity and liabilities		**1,476,600**	1,461,618	**607,956**	598,556

* $236.7 million (31 December 2016: $314.0 million) relates to the Group's pre-sold development properties as at 31 March 2017.

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

B.1 The increase in investment properties was mainly attributable to unrealised foreign exchange gain on investment property in 59 Goulburn Street.

B.2 At the Company level, investment in subsidiaries increased mainly due to shares allotment and long-term equity loans granted to subsidiaries for investment purposes.

B.3 Investment in associates increased mainly due to share of after tax results from associates and changes in the translation differences on investment in associates.

B.4 Available-for-sale financial assets were valued at $1.5 million as at 31 March 2017 and comprised equity securities listed on the Singapore Exchange.

B.5 Development properties for sale include: properties for sale under development ($6.3 million) and developed properties for sale ($474.3 million). Developed properties for sale decreased due to the sale of 1 unit at the Whitehaven project, which obtained Temporary Occupation Permits ("TOP") in October 2016.

Properties for sale under development decreased $4.7 million mainly due to Jade Residences obtaining TOP and progress billings for LIV on Wilkie and Trilive. The decrease was partially offset by the completion of purchase of development sites at 120 Grange Road and Harbour View Gardens.

B.6 Trade receivables comprised mainly of progress payments receivable from purchasers and unbilled revenues for the projects which obtained TOP. The decrease was mainly from receipt of progress billings from LIV on Sophia, Whitehaven and Trilive. This was partially offset by an increase in unbilled revenue from Jade Residences which obtained TOP in Jan 2017.

B.7 The Group's other receivables comprised mainly deposits, prepayments and other receivables. The decrease was mainly due to transfer of deposits on completion of acquisition of development sites (refer to explanatory note B.5).

At Company level, other receivables comprised mainly the amounts due from subsidiaries, deposits, prepayments and other receivables. The decrease was mainly due to decrease in the amounts due from subsidiaries as a result of repayments from subsidiaries.

B.8 Trade payables comprised mainly of progress claims from contractors and related retention sums held. The decrease was mainly due to payments to contractors.

B.9 Other payables comprised mainly accruals for construction costs for completed projects, accruals for unbilled contractor progress claims, hotel management fees, and provision for FY2016 staff and directors' bonuses. The decrease was mainly due to payment of staff bonuses during the quarter, and a reduction in derivative financial liability from fair value gain on cross currency interest rate swap.

At Company level, other payables comprised mainly of amounts due to subsidiaries, accrued staff and directors' bonuses and other expenses. The decrease was mainly due to a decrease in the amounts due to subsidiaries mainly from declaration of subsidiary dividends, payable to the Company.

B.10 Current provision for taxation increased mainly due to tax provision for Whitehaven, LIV on Sophia (both TOP in 4Q2016) and Jade Residences (TOP in Jan 2017). These tax provision relates to additional sales post-TOP and prior year unbilled revenue being billed and taxable in the current year.

B.11 The Group's total borrowings amounted to $839.4 million, with $287.2 million repayable within one year and $552.2 million repayable after one year (refer to page 9, table 1(b)(ii)). The increase in total borrowings was mainly from loan drawdown for completion of acquisition of new development sites.

At the Company level, total borrowings amounted to $124.1 million, with $64.1 million repayable within one year and $60.0 million repayable after one year. The increase in total borrowings was mainly from unrealised foreign exchange loss on bank borrowings denominated in Australia dollars.

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

	31 March 2017					31 December 2016		
	Secured S$'000		**Unsecured S$'000**		**Total S$'000**	Secured S$'000	Unsecured S$'000	Total S$'000
Non-current								
- Amounts repayable after one year	**208,261**		**60,000**	(iii)	**268,261**	210,549	60,000	270,549
Current								
- Amounts repayable in one year or less, or on demand	**286,230**	(i) (ii)	**1,000**		**287,230**	346,391	1,000	347,391
- Amounts repayable after one year but within the normal operating cycle of the Property Development segment	**283,947**		-		**283,947**	214,757	-	214,757
	570,177		**1,000**		**571,177**	561,148	1,000	562,148
	778,438		**61,000**		**839,438**	771,697	61,000	832,697

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. $65.6 million relates to our sold development project properties and is expected to be repaid by 31 March 2018 upon obtaining Temporary Occupation Permits ("TOP") and collections from buyers of the properties.

$83.5 million relates to term loans for Grand Mercure Roxy Hotel, Singapore.

$62.6 million relates to term loan for office building at 59 Goulburn Street, Sydney, Australia.

ii. $63.1 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.

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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 2017 S$'000	2016 S$'000
Cash Flows from Operating Activities			
Profit before taxation		**9,165**	13,515
Adjustments for:			
Depreciation of property, plant and equipment		**1,755**	1,360
Amortisation of intangible assets		**4**	4
Dividend income from available-for-sale financial assets		**(21)**	-
Share of results of associates		**(2,619)**	(2,842)
Provision for doubtful debt		**12**	-
Impairment loss on investment in associates		-	2,455
Interest income		**(675)**	(878)
Interest expense on bank borrowings		**3,696**	3,711
Fair value (gain) / loss on cross currency interest rate swap		**(1,409)**	672
Net foreign exchange gain (unrealised)		**(144)**	(1,408)
Operating profit before working capital changes		**9,764**	16,589
Changes in development properties for sale		**11,169**	(112,240)
Changes in inventories		**(22)**	-
Changes in operating receivables		**12,144**	(5,156)
Changes in operating payables		**(6,074)**	(2,886)
Cash generated from / (used in) operations		**26,981**	(103,693)
Net income tax paid		**(29)**	(376)
Cash generated from / (used in) operating activities	C.1	**26,952**	(104,069)
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	C.2	**(2,329)**	(616)
Dividend income from investment in associates		**-**	2,450
Loan to associates		**-**	(19,472)
Repayment from associates		**-**	1,832
Share buy-back		**(9)**	-
Interest received		**1,039**	977
Cash used in investing activities		**(1,299)**	(14,829)
Cash Flows from Financing Activities			
Proceeds from borrowings		**67,826**	99,128
Fixed deposit pledged to banks and financial institutions		**-**	(5,972)
Repayment of borrowings		**(64,197)**	(23,238)
Interest paid		**(5,908)**	(6,340)
Dividend paid to non-controlling shareholders		**(250)**	-
Cash (used in) / generated from financing activities	C.3	**(2,529)**	63,578

	Note	First Quarter ended 31 March 2017 S$'000	2016 S$'000
Net increase / (decrease) in cash and cash equivalents		**23,124**	(55,320)
Cash and cash equivalents at beginning of period		**237,280**	312,983
Effects of foreign currency translation		**(322)**	1,582
Cash and cash equivalents at end of period		**260,082**	259,245
Analysis of cash and cash equivalents:-			
Project accounts	C.4	**63,151**	21,708
Fixed deposits in project accounts		**54,500**	49,500
Fixed deposits		**160,194**	222,418
Cash and bank balances		**70,282**	53,619
		348,127	347,245
Less: Fixed deposits pledged to banks and financial institutions		**(88,045)**	(88,000)
		260,082	259,245

Notes to the consolidated statement of cash flows:

C.1 The net cash inflows from operating activities of $27.0 million in 1Q2017 as compared to net cash outflows of $104.1 million in 1Q2016 was mainly from progress billings received from projects which obtained TOP in 4Q2016 and Jan 2017.

C.2 The cash outflows for 1Q2017 mainly related to the development cost for the hotels and resorts under retrofitting/construction in Maldives and Chalong.

C.3 The net cash outflows from financing activities of $2.5 million in 1Q2017 was mainly from repayment of borrowings from projects which collections were received in 1Q2017. This was partially offset from proceeds from borrowings for new development sites.

C.4 Project accounts consist of monies held under the Housing Developers (Project Account) Rules 1997. Withdrawals are restricted for payments for development expenditure incurred on properties for sale under development.

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

Group	Share capital S$'000	Treasury Shares S$'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 2017	47,399	(555)	50	(2,149)	446,518	491,263	3,745	495,008
Total Comprehensive income for the period								
Profit for the period	-	-	-	-	**5,908**	**5,908**	**405**	**6,313**
Comprehensive income for the period	-	-	-	-	**5,908**	**5,908**	**405**	**6,313**
Other comprehensive income								
Net change in fair value of available-for-sale financial assets	-	-	**45**	-	-	**45**	-	**45**
Tax on other comprehensive income	-	-	**(7)**	-	-	**(7)**	-	**(7)**
Foreign currency translation differences	-	-	-	**7,346**	-	**7,346**	**(251)**	**7,095**
Total other comprehensive income for the period	-	-	**38**	**7,346**	-	**7,384**	**(251)**	**7,133**
Total Comprehensive income for the period	-	-	**38**	**7,346**	**5,908**	**13,292**	**154**	**13,446**
Transaction with owners, recognised directly in equity								
Contributions by and distributions to owners								
Share buy-back	-	**(9)**	-	-	-	**(9)**	-	**(9)**
Total transactions with owners	-	**(9)**	-	-	-	**(9)**	-	**(9)**
Balance at 31 March 2017	**47,399**	**(564)**	**88**	**5,197**	**452,426**	**504,546**	**3,899**	**508,445**
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$'000	Treasury shares S$'000	Translation reserve S$'000	Retained profits S$'000	Total S$'000
Balance at 1 January 2017	47,399	(555)	4,187	68,392	119,423
Total comprehensive income for the period					-
Profit for the period	**-**	**-**	**-**	**13,590**	**13,590**
Total comprehensive income for the period	**-**	**-**	**-**	**13,590**	**13,590**
Other Comprehensive income					
Foreign currency translation difference	**-**	**-**	**3,126**	**-**	**3,126**
Total other comprehensive income for the period	**-**	**-**	**3,126**	**-**	**3,126**
Total comprehensive income for the period	**-**	**-**	**3,126**	**13,590**	**16,716**
Transactions with owners, recognised directly in equity					
Contributions by and distributions to owners					
Share buy-back	**-**	**(9)**	**-**	**-**	**(9)**
Total transactions with owners	**-**	**(9)**	**-**	**-**	**(9)**
Balance at 31 March 2017	**47,399**	**(564)**	**7,313**	**81,982**	**136,130**
Balance at 1 January 2016	47,399	-	(229)	71,388	118,558
Profit for the period	-	-	-	26	26
Comprehensive income for the period	-	-	-	26	26
Other Comprehensive income					
Foreign currency translation difference	-	-	2,067	-	2,067
Total other comprehensive income for the period	-	-	2,067	-	2,067
Total comprehensive income for the period	-	-	2,067	26	2,093
Balance at 31 March 2016	47,399	-	1,838	71,414	120,651

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.

Movement in the Company's treasury shares for the financial year ended 31 March 2017 are as follows:

	No. of Shares
As at 31 December 2016	1,306,500
Purchase of treasury shares	20,000
As at 31 March 2017	**1,326,500**

The Company acquired 20,000 of its own shares through purchases on the Singapore Exchange during 1Q2017. The number of treasury shares held by the Company represents 0.11% of the total number of issued shares (excluding treasury shares) as at 31 March 2017.

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 2017	31 December 2016
Issued, fully paid share capital:		
Balance number of shares as at the beginning of period	**1,192,243,494**	1,193,549,994
Purchase of treasury shares	**(20,000)**	(1,306,500)
Total number of shares as at the end of period net of treasury shares	**1,192,223,494**	1,192,243,494

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

Not applicable.

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

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

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

Not applicable.

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

For the current financial reporting period ended 31 March 2017, the Group has followed accounting policies and applied methods of computations consistent with the audited financial statements as at 31 December 2016.

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.

	First Quarter ended 31 March	
Earnings per share for the financial period	**2017**	**2016**
(a) Based on the weighted average number of ordinary shares on issue (cents)	**0.50**	0.83
(b) On fully diluted basis (cents)	**0.50**	0.83
Profit attributable to shareholders of the Company ($'000)	**5,908**	9,885
Weighted average number of shares ('000)	**1,192,225**	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-17	31-Dec-16	**31-Mar-17**	31-Dec-16
Net asset value ("NAV") per ordinary shares based on total issue of 1,192,223,494 ordinary shares (cents) (2016: 1,192,243,494 ordinary shares (cents))	**42.32**	41.20	**11.42**	10.02

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, hotel property in Phuket, Thailand and resorts property in Maldives) and own use premises, over their carrying amounts. As at 31 March 2017, our directors estimated that the fair value of these properties was estimated to be $636.2 million (31 December 2016: $636.2 million) based on valuation carried out by independent valuers on 31 December 2016, using the investment and direct comparison methods. The revaluation surplus is estimated to be approximately $474.3 million (31 December 2016: $471.9 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-17	31-Dec-16
ANAV per ordinary share based on total issue of 1,192,223,494 ordinary shares (cents) (2016: 1,192,243,494 ordinary shares (cents))	**82.10**	80.79

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
	2017		2016		
GROUP	S$'000		S$'000		%
REVENUE					
Property Development	**51,738**	79%	88,302	86%	-41%
Hotel Ownership	**10,485**	16%	11,678	11%	-10%
Property Investment	**3,207**	5%	3,000	3%	7%
	65,430	100%	102,980	100%	-36%
GROSS PROFIT					
Property Development	**8,410**	51%	14,084	61%	-40%
Hotel Ownership	**5,633**	35%	6,825	30%	-17%
Property Investment	**2,275**	14%	2,150	9%	6%
	16,318	100%	23,059	100%	-29%
GROSS PROFIT MARGIN (%)					
Property Development	**16%**		16%		0 ppt
Hotel Ownership	**54%**		58%		-4 ppt
Property Investment	**71%**		72%		-1 ppt
Total	**25%**		22%		3 ppt
ADJUSTED EBITDA					
Property Development	**9,483**	70%	16,728	76%	-43%
Hotel Ownership	**1,839**	14%	3,577	16%	-49%
Property Investment - Rental income	**1,751**	13%	1,833	8%	-4%
Property Investment - Share of result of associates	**458**	3%	-	0%	n/m
	13,531	100%	22,138	100%	-39%
PROFIT BEFORE TAX					
Adjusted EBITDA	**13,531**		22,138		-39%
Corporate expenses *	**(1,143)**		(5,166)		-78%
Depreciation of property, plant and equipment	**(1,755)**		(1,360)		29%
Net interest expense	**(3,021)**		(2,833)		7%
Net unrealised foreign exchange loss	**144**		1,408		-90%
Fair value gain / (loss) on cross currency interest rate swap	**1,409**		(672)		n/m
	9,165		13,515		-32%

* In 1Q2016, corporate expenses include $2.5 million impairment of investment in associates (1Q2017: Nil) and $0.9 million provision for directors' performance bonus (1Q2017: Nil).

n/m: not meaningful

(ii) Geographical segments

	Singapore	Australia	Japan	Thailand	Malaysia	Hong Kong	Indonesia	Maldives	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue									
First quarter ended									
31 March									
2017	**61,758**	**2,792**	**727**	**-**	**-**	**-**	**-**	**153**	**65,430**
2016	99,452	2,558	931	39	-	-	-	-	102,980
Non-current assets									
As at 31 March 2017	**177,874**	**214,679**	**36,607**	**17,992**	**20,504**	**27,304**	**4,129**	**44,550**	**543,639**
As at 31 December 2016	176,488	209,507	36,147	17,445	20,972	23,674	4,227	45,117	533,577
Total assets									
As at 31 March 2017	**936,006**	**385,119**	**38,991**	**18,662**	**20,504**	**27,304**	**4,131**	**45,883**	**1,476,600**
As at 31 December 2016	940,013	369,832	38,839	17,673	20,972	23,674	4,230	46,385	1,461,618

Revenue and gross profit analysis - 1Q2017 vs 1Q2016

(i) Revenue

The Group achieved revenue of $65.4 million in 1Q2017, 36% lower than $103.0 million in 1Q2016. This was mainly due to lower revenue from the Property Development and Hotel Ownership segments.

(a) Property Development

Revenue from the Property Development segment, which made up 79% of the Group's turnover in 1Q2017, decreased 41% to $51.7 million in 1Q2017 from $88.3 million in 1Q2016. The decrease was largely due to lower revenue recognition from Jade Residences, Whitehaven, and absence of revenue recognition from LIV on Sophia following the completion of these projects in 4Q2016 and early 2017. The decrease was partially offset by higher revenue recognition on construction progress of Trilive.

(b) Hotel Ownership and Property Investment

The Hotel Ownership segment, which contributed 16% to the Group's turnover, registered $10.5 million in revenue as compared to $11.7 million in 1Q2016. The decrease was mainly due to lower revenue per available room ("RevPar") from Grand Mercure Roxy Hotel.

Revenue from the Property Investment segment constituted the balance of 5% of the Group's turnover and contributed $3.2 million in 1Q2017 as compared to $3.0 million in 1Q2016. The increase was mainly from higher rental rate of office units at 59 Goulburn Street as compared to 1Q2016.

(ii) Cost of sales and gross profit

In line with the decrease in revenue, cost of sales decreased by 39% to $49.1 million in 1Q2017 from $79.9 million in 1Q2016.

Gross profit from the Property Development segment contributed $8.4 million or 51% of the Group's total gross profit, with the remaining 49% or $7.9 million contributed by the Hotel Ownership and Property Investment segments. Gross profit margin from the Property Development segment was 16% in 1Q2017, which was consistent with 1Q2016. The gross profit margin of the Hotel Ownership segment decreased 4 percentage points to 54% in 1Q2017 as compared to 58% in 1Q2016 mainly due to lower RevPar in 1Q2017. Gross profit margin of the Property investment segment decreased 1 percentage point to 71% in 1Q2017 from 72% in 1Q2016.

The Group's overall gross profit margin in 1Q2017 was 25%, higher as compared to 1Q2016 of 22% mainly due to higher percentage contribution of revenue in the current quarter from Hotel Ownership & Property Investment segments which have higher gross profit margins.

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 8 and explanatory notes to the consolidated statement of cash flows on page 11.

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

The Group's performance for the period under review is in line with expectations disclosed in the announcement of results for the full financial year ended 31 December 2016.

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
The Ministry of Trade and Industry ("MTI")[1] announced on 13 April 2017 that the Singapore economy grew by 2.5% on a year-on-year basis in 1Q2017, easing from the 2.9% growth in 4Q2016. For 2017, MTI has maintained the GDP growth forecast at 1.0% to 3.0%.

Latest statistics from the Urban Redevelopment Authority[2] showed a 0.4% decline in private residential property prices in 1Q2017, compared with the 0.5% decline in 4Q2016. New homes sales reached a near four-year high following the easing of the cooling measures in March for the first time since 2009 – developers sold 1,780 homes in March 2017, 82% more than 979 in February and double the 843 homes sold in March 2016. This brings the total units sold in 1Q2017 to 3,141 homes, the best quarterly results since 2Q2013[3].

The Group's most recent project launch, Straits Mansions, received warm reception from buyers and is currently 100% sold. Additionally, to replenish its land bank in Singapore, The Group completed new development site acquisitions for 120 Grange Road and 211-223A Pasir Panjang Road in Singapore during 1Q2017. The new development projects are expected to contribute positively to the Group's performance.

Australia
Latest statistics from the Australian Bureau of Statistics ("ABS")[4] showed a 2.4% year-on-year seasonally-adjusted growth in Australia's GDP for the quarter ended 31 December 2016 and a 1.1% growth on a quarter-on-quarter seasonally adjusted basis. The Reserve Bank of Australia projected that GDP growth will come in between 2.5% and 3.5% for the year ended

[1] Ministry of Trade and Industry, April 13, 2017 – Singapore's GDP grew by 2.5% in 1st Quarter 2017
[2] Urban Redevelopment Authority, April 28, 2017 – Release of 1st Quarter 2017 real estate statistics
[3] Straits Times, April 18, 2017 – New private home sales surge 82%; Business Times, April 18, 2017 – Developers' private home sales soar
[4] Australian Bureau of Statistics, March 1,2017 – Australian National Accounts: National Income, Expenditure and Product, Dec 2016

December 2016 and December 2017[5]. The ABS also reported a 7.7% year-on-year increase in the weighted average residential property prices of eight capital cities, and 4.1% quarter-on-quarter growth for the quarter ended December 2016. On a year-on-year basis, prices rose in Sydney (10.3%), Melbourne (10.8%), Brisbane (3.8%), Adelaide (4.1%), Hobart (8.8%) and Canberra (5.5%) and declined 4.1% in Perth and 7.0% in Darwin[6].

The Group's latest project in Australia, West End Glebe – The Foundry, has received warm reception and is over 60% sold since launched. It is expected to contribute positively to the Group's profits upon its completion in 2019.

The Group has also announced that it has entered into a Heads of Agreement to dispose of the 59 Goulburn Street office building for A$158 million, subject to the Purchaser's due diligence exercise.

As at 26 April 2017, based on units sold from the following ongoing development projects, the Group has total attributable pre-sale revenue of $439.3 million, profits of which will be progressively recognised from 2Q2017 to FY2020.

	Project name	Type of development	Group stake	Total units in project	Unit sold	Attributable total sale value (i)	Attributable revenue recognised up to 31 March 2017	Balance attributable progress billings to be recognised from 2Q2017
			%	Unit	%	$'m	$'m	$'m
	Singapore							
1	Eon Shenton	Office	20%	98	100%	$ 60.1	$ 53.9	$ 6.2
		Residential	20%	132	96%	$ 38.4	$ 34.4	$ 4.0
		Shop	20%	23	100%	$ 4.8	$ 4.3	$ 0.5
2	LIV on Wilkie	Residential	90%	81	99%	$ 99.4	$ 92.8	$ 6.6
3	Sunnyvale Residences	Residential	100%	30	77%	$ 36.3	$ 32.5	$ 3.8
4	Trilive	Residential	85%	222	90%	$ 196.4	$ 123.4	$ 73.0
		Shop	85%	2	50%	$ 0.7	$ 0.4	$ 0.3
5	Straits Mansions	Residential	100%	25	100%	$ 48.2	$ 1.4	$ 46.8
	Malaysia							
6	Wisma Infinitum - The Colony by Infinitum	Residential	47%	423 (ii)	70%	$ 48.5	-	$ 48.5
	Australia							
	Sydney							
7	The Hensley, Potts Point	Residential	100%	44	93%	$ 68.0	-	$ 68.0
		Shop	100%	1	100%	$ 1.2	-	$ 1.2
8	Octavia, Killara	Residential	100%	43	95%	$ 48.7	-	$ 48.7
9	West End Glebe - The Foundry	Residential	100%	140 (iii)	61%	$ 100.8	-	$ 100.8
	South Brisbane							
10	New World Towers, Peel Street	Residential	40%	195 (iv)	62%	$ 30.9	-	$ 30.9
	Total			**1,459**		**$ 782.4**	**$ 343.1**	**$ 439.3**

(i) For Singapore projects, sale value is based on Option to Purchase granted up to 26 April 2017.
(ii) For overseas projects, sale value is based on contract signed up to 26 April 2017.
(iii) Represents Block A - The Colony by Infinitum. An additional 331 units in Block B are pending launch.
(iv) Represents Block 1 of the development. Block 2 with an estimated 91 units is pending launch.
(v) Represents Tower 1of the development. Tower 2 with an estimated 240 units is pending launch.

[5] Reserve Bank of Australia, May 2016 – Statement on Monetary Policy
[6] Australian Bureau of Statistics, March 21, 2017 – Residential Property Price Indexes: Eight Capital Cities, Dec 2016

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

	Location / Description	Proposed Development	Approximate Land Area (sqm)	Approximate Gross Floor Area (sqm)	Group's stake	Approximate Attributable Gross Floor Area (sqm)	Approximate Attributable Land Cost (SGD)	Approximate Attributable Land Cost (foreign currency)
	Singapore							
1	178,180,180A, 182 & 184 Jalan Eunos	48 units of Residential Development	2,315	3,242	100%	3,242	S$25.2m	NA
2	211 – 223A Pasir Panjang Road	57 units of Residential Development	2,856	3,998	100%	3,998	S$33.3m	NA
3	120 Grange Road	56 units of Residential Development	1,466	3,079	100%	3,079	S$48.5m	NA
4	826/A - 834/A Upper Bukit Timah Road	34 units of Residential Development	953	2,382	80%	1,906	S$13.6m	NA
	Australia							
1	54 & 85 Bracks Street, North Fremantle, Perth, Australia (1)	Industrial Land; to be rezoned for Commercial & Residential use	45,463	TBC	20.2%	TBC	S$12.8m	AUD11.9m
	Indonesia							
2	Jalan Kramat, Raya No 110, Jakarta, Indonesia	Commercial Development	1,703	7,152	49%	3,504	S$3.3m	IDR33.4b
	Total		**54,756**				**S$136.7m**	

(1) The properties are currently zoned as "Industrial" by the relevant Australian authorities. A decision to onsell or redevelop the land will be made by the joint venture upon successful rezoning of the property for commercial and residential use.

The Group will focus to complete sale of properties for sale under development and launch its newly acquired properties for sale in FY2017 and FY2018.

Hotel Ownership

Latest report from the Singapore Tourism Board ("**STB**")[7] showed that both visitor arrivals and tourism receipts exceeded forecasts to hit historical highs in 2016. While visitor arrivals grew by 7.7% to 16.4 million, tourism receipts rose even higher by 13.9% to $24.8 billion. For 2017, STB forecasts tourism receipts to be in the range of $25.1 to $25.8 billion (1% to 4%) and international visitor arrivals to be in the range of 16.4 to 16.7 million (0% to 2%).

Following the launch of the Group's ***Noku Roxy*** hospitality brand name upon the opening of its first upscale boutique hotel in Kyoto, Japan, Roxy-Pacific looks forward to bringing its hospitality brand to the rest of Asia, with a resort in Maldives scheduled to open by 4Q2017 and Phuket to follow in 2019. 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 2017.

[7] https://www.stb.gov.sg/news-and-publications/lists/newsroom/dispform.aspx?ID=696

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 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 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 & CFO

5th May 2017
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 year ended 31 December 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 2017
Singapore