



**Roxy-Pacific
Holdings Limited**

ROXY-PACIFIC HOLDINGS LIMITED

(Registration Number: 196700135Z)

UNAUDITED THIRD QUARTER AND NINE MONTH FINANCIAL STATEMENTS AND
DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

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**UNAUDITED THIRD QUARTER AND NINE MONTH FINANCIAL STATEMENTS AND
DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**

**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 | Third quarter ended 30 September | | | Nine Months ended 30 September | | |
|--|------|-------------------------------------|-----------------|-------------|-----------------------------------|-----------------|-------------|
| | | 2017 S\$'000 | 2016 S\$'000 | Change % | 2017 S\$'000 | 2016 S\$'000 | Change % |
| Revenue | A.1 | 60,251 | 90,909 | -34% | 203,493 | 292,266 | -30% |
| Cost of sales | A.2 | (42,711) | (72,459) | -41% | (155,877) | (231,243) | -33% |
| Gross profit | | 17,540 | 18,450 | -5% | 47,616 | 61,023 | -22% |
| Other operating income | A.3 | 985 | 332 | 197% | 29,301 | 20,989 | 40% |
| Distribution and selling expenses | A.4 | (1,492) | (1,256) | 19% | (3,374) | (4,252) | -21% |
| Administrative expenses | A.5 | (4,112) | (3,225) | 28% | (8,280) | (10,100) | -18% |
| Other operating expenses | A.6 | (6,825) | (3,271) | 109% | (24,104) | (15,047) | 60% |
| Finance costs | A.7 | (3,213) | (4,185) | -23% | (10,964) | (11,472) | -4% |
| Share of results of associates (net of income tax) | A.8 | 507 | 4,040 | -87% | 7,799 | 10,509 | -26% |
| Profit before taxation | | 3,390 | 10,885 | -69% | 37,994 | 51,650 | -26% |
| Taxation | | (1,103) | (2,046) | -46% | (14,077) | (11,316) | 24% |
| Profit after taxation | | 2,287 | 8,839 | -74% | 23,917 | 40,334 | -41% |
| Attributable to: | | | | | | | |
| Equity holders of the Company | | 1,499 | 8,104 | -82% | 22,149 | 37,907 | -42% |
| Non-controlling interests | A.13 | 788 | 735 | 7% | 1,768 | 2,427 | -27% |
| | | 2,287 | 8,839 | -74% | 23,917 | 40,334 | -41% |



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

| | Note | Third quarter ended 30 September | | | Nine Months ended 30 September | | |
|---|------|-------------------------------------|-----------------|-------------|-----------------------------------|-----------------|-------------|
| | | 2017 S\$'000 | 2016 S\$'000 | Change % | 2017 S\$'000 | 2016 S\$'000 | Change % |
| after crediting: | | | | | | | |
| Fair value gain on investment properties | A.3 | - | - | - | 24,047 | 15,540 | 55% |
| Foreign exchange gain (realised) | | 8 | 14 | -40% | 44 | 13 | 235% |
| Foreign exchange gain (unrealised) | A.9 | 440 | - | n/m | 1,888 | 1,875 | 1% |
| Interest income | | 239 | 799 | -70% | 1,693 | 2,496 | -32% |
| Fair value gain on cross currency interest rate swap | A.10 | - | 2,071 | n/m | 666 | 2,071 | -68% |
| after charging: | | | | | | | |
| Depreciation of property, plant and equipment | | (507) | (1,443) | -65% | (4,051) | (4,185) | -3% |
| Amortisation of intangible assets | | (4) | (4) | - | (13) | (13) | - |
| Directors' fees | | (38) | (38) | - | (115) | (115) | - |
| Foreign exchange loss (realised) | | (53) | - | n/m | (369) | (45) | n/m |
| Foreign exchange loss (unrealised) | A.11 | (390) | (1,428) | -73% | (1,112) | (506) | 120% |
| Provision for doubtful debt | | - | - | - | (23) | - | n/m |
| Provision for impairment of long-term loan to associate | A. 6 | - | - | - | (5,197) | (208) | n/m |
| Interest on borrowings | A.7 | (3,109) | (4,120) | -25% | (10,747) | (11,282) | -5% |
| Staff costs (including directors' remuneration) | A.12 | (7,124) | (6,080) | 17% | (17,304) | (18,095) | -4% |
| Fair value loss on cross currency interest rate swap | A.10 | (11) | - | n/m | - | (2,352) | n/m |

n/m: not meaningful

Notes to Consolidated Income Statement:

A.1 Revenue decreased in 9M2017 and 3Q2017 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 is 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 in 9M2017 mainly due to higher fair value gain on investment property recorded for 59 Goulburn Street in 2Q2017. The Group entered into a definitive sale and purchase agreement on 14 July 2017 for the sale of the property for AUD158.0 million and the sale was completed on 16 October 2017. The increase was partially offset by fair value loss on shop units in Roxy Square recorded in 2Q2017.

Other operating income increased in 3Q2017 mainly due to unrealised foreign exchange gain as compared to unrealised exchange loss in 3Q2016. Please refer to explanatory note A.9 and A.11.

A.4 Distribution and selling expenses were lower in 9M2017 mainly due to lower marketing and showflat expenses incurred for development properties. In 3Q2017, distribution and selling expenses were higher mainly due to construction of showflats for the upcoming projects at Eunost and Grange Road.

A.5 Administrative expenses decreased in 9M2017 mainly due to lower provision for directors' performance bonus, in line with the lower profitability for the period. In 3Q2017, administrative expenses were higher mainly due to higher staff costs, please refer to note A.12.

A.6 Other operating expenses increased in 9M2017 mainly due to provision for impairment on long-term loan to an associate in Australia, higher operating expenses for the Maldives resort acquired in 2Q2016, provision for fixed assets to be written off from the sale of Goulburn Street building and higher unrealised foreign exchange loss on revaluation of bank borrowings in AUD (Refer to explanatory note A.11).

Other operating expense increased in 3Q2017 mainly due to provision for fixed assets to be written off from the sale of Goulburn Street building.

Depreciation expense decreased in 3Q2017 mainly due to adjustment for deferment of depreciation of assets at Maldives resort during the period of retrofitting.

A.7 In 3Q2017, finance cost decreased mainly due to adjustment for capitalisation of loan interest for Maldives resort during the period of retrofitting.

A.8 Share of results of associates decreased in 3Q2017 and 9M2017 mainly due to lower revenue recognition from Eon Shenton.

A.9 9M2017 and 9M2016 exchange gain (unrealised) arose mainly from depreciation of HKD payables against SGD. 3Q2017 exchange gain arose mainly from depreciation of HKD payables.

A.10 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. Any fair value differences recorded prior to the maturity of CCS will be offset within the income statement against any foreign currency differences. The CCS has matured on 17 July 2017.



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- A.11 Foreign exchange loss (unrealised) in 9M2017 and 3Q2017 mainly due to appreciation of AUD bank borrowings, 9M2016 and 3Q2016 foreign exchange loss was mainly due to appreciation of AUD bank borrowings.
- A.12 3Q2017 staff costs increased mainly due to higher provision for directors' performance bonus during the quarter as compared to 3Q2016. Provision for directors' performance bonus only commenced in 3Q2017 upon the Group achieving the required minimum profits.
- A.13 In 9M2017, non-controlling interests decreased mainly due to lower share of profits recognised from LIV on Sophia and LIV on Wilkie as both projects have obtained TOP in 1H2017.

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

| | Third quarter ended 30 September | | | Nine Months ended 30 September | | |
|---|-------------------------------------|-----------------|-------------|-----------------------------------|-----------------|-------------|
| | 2017 S\$'000 | 2016 S\$'000 | Change % | 2017 S\$'000 | 2016 S\$'000 | Change % |
| Profit after taxation | 2,287 | 8,839 | -74% | 23,917 | 40,334 | -41% |
| Other comprehensive income | | | | | | |
| Net change in fair value of available-for-sale financial assets | 86 | 91 | -5% | 161 | 53 | 204% |
| Fair value of owner occupied Property, Plant and Equipment transferred to Investment Property | A.14 533 | - | n/m | 533 | - | n/m |
| Tax on other comprehensive income | (15) | (15) | - | (27) | (9) | 205% |
| Currency translation differences arising from consolidation | A.15 1,042 | 6,657 | -84% | 5,891 | 5,144 | 15% |
| Other comprehensive profit, net of tax | 1,646 | 6,733 | -76% | 6,557 | 5,188 | 26% |
| Total comprehensive income for the period | 3,933 | 15,572 | -75% | 30,474 | 45,522 | -33% |
| Attributable to: | | | | | | |
| Equity holders of the Company | 2,895 | 14,836 | -80% | 28,707 | 43,095 | -33% |
| Non-controlling interests | 1,038 | 736 | 41% | 1,767 | 2,427 | -27% |
| | 3,933 | 15,572 | -75% | 30,474 | 45,522 | -33% |

- A.14 This arose from the transfer, at fair value, of two office units at Roxy Square (previously occupied as office) to investment property.
- A.15 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 | | COMPANY | |
|--|------|-----------------------|----------------------|-----------------------|----------------------|
| | | 30-Sep-17 S \$'000 | 31-Dec-16 S\$'000 | 30-Sep-17 S \$'000 | 31-Dec-16 S\$'000 |
| ASSETS | | | | | |
| Non-Current | | | | | |
| Property, plant and equipment | | 178,851 | 175,527 | 765 | 847 |
| Intangible assets | | 55 | 68 | - | - |
| Investment properties | B.1 | 227,119 | 198,835 | - | - |
| Investment in subsidiaries | B.2 | - | - | 211,240 | 189,404 |
| Investment in associates | B.3 | 161,634 | 146,458 | - | - |
| Amounts due from associates | B.3 | - | 11,264 | - | - |
| Available-for-sale financial assets | B.4 | 2,120 | 1,425 | 620 | - |
| | | 569,779 | 533,577 | 212,625 | 190,251 |
| Current | | | | | |
| Development properties for sale* | B.5 | 456,244 | 486,369 | - | - |
| Inventories | | 966 | 784 | - | - |
| Trade receivables | B.6 | 82,286 | 93,145 | 19 | 8 |
| Other receivables | B.7 | 21,608 | 22,418 | 296,709 | 251,582 |
| Cash and bank balances | | 292,767 | 325,325 | 165,761 | 156,715 |
| | | 853,871 | 928,041 | 462,488 | 408,305 |
| Total assets | | 1,423,650 | 1,461,618 | 675,113 | 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 | | 717 | 50 | 72 | - |
| Translation reserve | | 3,742 | (2,149) | 6,374 | 4,187 |
| Retained earnings | | 452,238 | 446,518 | 132,422 | 68,392 |
| Equity attributable to owners of the Company | | 503,532 | 491,263 | 185,703 | 119,423 |
| Non-controlling interests | | 5,462 | 3,745 | - | - |
| | | 508,994 | 495,008 | 185,703 | 119,423 |
| Liabilities | | | | | |
| Non-Current | | | | | |
| Bank borrowings | B.10 | 253,249 | 270,549 | - | 60,000 |
| Deferred tax liabilities | | 36,515 | 33,094 | 286 | 168 |
| | | 289,764 | 303,643 | 286 | 60,168 |
| Current | | | | | |
| Trade and other payables | B.8 | 73,711 | 98,715 | 390,427 | 355,507 |
| Provision for taxation | B.9 | 11,030 | 2,104 | 243 | 217 |
| Bank borrowings | B.10 | 540,151 | 562,148 | 98,453 | 63,242 |
| | | 624,892 | 662,967 | 489,124 | 418,966 |
| Total liabilities | | 914,656 | 966,610 | 489,410 | 479,133 |
| Total equity and liabilities | | 1,423,650 | 1,461,618 | 675,113 | 598,556 |

* \$245.9 million (31 December 2016: \$314.0 million) relates to the Group's pre-sold development properties as at 30 September 2017.

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

- B.1 The increase in investment properties was mainly attributable to fair value gain on investment property in 59 Goulburn Street before its divestment in October 2017, partially offset by fair value loss on shop units in Roxy Square.
- B.2 At Company level, investment in subsidiaries increased mainly due to increase investment in subsidiaries 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 transfer of long term amounts due from associates to investment in associates. This was partially offset by impairment loss on loan to an associate in Australia.
- B.4 Available-for-sale financial assets were valued at \$2.1 million as at 30 September 2017 and comprised equity securities listed on the Singapore Exchange. The increase is due to additional equity investment in 3Q2017.
- B.5 Development properties for sale include: properties for sale under development (\$447.4 million) and developed properties for sale (\$8.8 million). Developed properties for sale represents the development cost of eight unsold units at Sunnyvale, which the Group has obtained TOP in April 2017. Compared to 31 December 2016 where developed properties for sale amounted to \$7.3 million represents the development cost of five unsold units at Whitehaven project, which was fully sold as at 30 September 2017.
- Properties for sale under development decreased \$31.6 million from 31 December 2016 mainly due to Jade Residences, LIV on Wilkie and Sunnyvale obtaining TOP and progress billings from Trilive. The decrease was partially offset by the completion of purchase of development sites at Grange Road, Harbour View Gardens and Upper Bukit Timah Road.
- 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 due to receipt of progress billings from LIV on Sophia, Whitehaven, Trilive and Space@Kovan. This was partially offset by unbilled revenue from Jade Residences, Sunnyvale and LIV on Wilkie which obtained TOP in Jan, April and June 2017 respectively.
- 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). This was partially offset by deposits placed for acquisition of new investment property at 205 Queen Street, New Zealand and hotel in Osaka, Japan.
- At Company level, other receivables comprised mainly the amounts due from subsidiaries, deposits, prepayments and other receivables. The increase was mainly due to advance to subsidiaries to fund new development projects and overseas hotel/resorts construction/retrofitting works.
- B.8 Trade and other payables comprised mainly of progress claims from contractors, related retention sums held, accruals for construction costs for completed projects, accruals for unbilled contractor progress claims, and provision for staff and directors' bonuses. The decrease was mainly due to payment of FY2016 staff and directors' bonuses during 1Q2017, settlement of derivative financial liability from cross currency interest rate swap and repayment of non-controlling shareholders' loan for Trilive, LIV on Sophia and LIV on Wilkie.

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

At Company level, trade and other payables comprised mainly of amounts due to subsidiaries, accrued staff and directors' bonuses and other expenses. The increase was mainly from advance received from subsidiaries, partially offset by declaration of dividends from subsidiaries to the Company.

B.9 Current provision for taxation increased mainly due to units sold after TOP for Whitehaven and transfer from deferred tax provision for projects completed in prior years as a result of billing of previously unbilled revenue in 9M2017.

B.10 The Group's total borrowings amounted to \$793.4 million, with \$372.8 million repayable within one year and \$420.6 million repayable after one year (refer to page 9, table 1(b)(ii)). The decrease in total borrowings was mainly due to repayment of borrowings for projects which have obtained TOP.

At the Company level, total borrowings amounted to \$98.5 million, all repayable within one year. The decrease in total borrowings was mainly due to \$19.5 million MTN notes repurchased and cancelled in 3Q2017 and partial repayment of revolving loan.

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

| | 30 September 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 | 253,249 | - | 253,249 | 210,549 | 60,000 | 270,549 |
| Current | | | | | | |
| - Amounts repayable in one year or less, or on demand | 330,291 (i) (ii) | 42,500 (iii) | 372,791 | 346,391 | 1,000 | 347,391 |
| - Amounts repayable after one year but within the normal operating cycle of the Property Development segment | 167,360 | - | 167,360 | 214,757 | - | 214,757 |
| | 497,651 | 42,500 | 540,151 | 561,148 | 1,000 | 562,148 |
| | 750,900 | 42,500 | 793,400 | 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. \$141.9 million relates to our sold development project properties and is expected to be repaid by 30 September 2018 upon obtaining Temporary Occupation Permits ("TOP") and collections from buyers of the properties.
\$58.5 million relates to term loans for Grand Mercure Roxy Hotel, Singapore.
\$62.5 million relates to term loan for office building at 59 Goulburn Street, Sydney, Australia.
- ii. \$56.0 million loan is secured by fixed deposits.
- iii. \$40.5 million included within current borrowings represents a held-to-maturity multi-currency note ("MTN Notes"), which is unsecured and repayable in July 2018. The Group had repurchased and cancelled \$19.5 million of the MTN Notes in 3Q2017.

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 | Third quarter ended | | Nine Months ended | |
|---|------|---------------------|----------|-------------------|----------|
| | | 30 September | | 30 September | |
| | | 2017 | 2016 | 2017 | 2016 |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Cash Flows from Operating Activities | | | | | |
| Profit before taxation | | 3,390 | 10,885 | 37,994 | 51,650 |
| Adjustments for: | | | | | |
| Depreciation of property, plant and equipment | | 507 | 1,443 | 4,051 | 4,185 |
| Amortisation of intangible assets | | 4 | 4 | 13 | 13 |
| Dividend income from available-for-sale financial assets | | (21) | - | (62) | - |
| Share of results of associates | | (507) | (4,040) | (7,799) | (10,509) |
| Provision for doubtful debt | | - | - | 23 | - |
| Impairment of investment in associate | | - | - | 5,197 | 208 |
| Interest income | | (239) | (799) | (1,693) | (2,496) |
| Interest expense on bank borrowings | | 3,109 | 4,120 | 10,747 | 11,282 |
| Net fair value gain on investment properties | | - | - | (24,047) | (15,540) |
| Fair value (gain) / loss on cross currency interest rate swap | | 11 | (2,071) | (666) | 281 |
| Net foreign exchange gain (unrealised) | | (50) | 1,428 | (776) | (1,368) |
| Operating profit before working capital changes | | 6,204 | 10,970 | 22,982 | 37,706 |
| Changes in development properties for sale | | (24,218) | 16,252 | 38,112 | (73,869) |
| Changes in inventories | | (11) | (157) | (182) | (152) |
| Changes in operating receivables | | 27,197 | 933 | 11,942 | 3,898 |
| Changes in operating payables | | (11,897) | 5,903 | (22,329) | 2,694 |
| Cash generated from/ (used in) operations | | (2,725) | 33,901 | 50,525 | (29,723) |
| Net income tax paid | | (1,087) | (11,149) | (2,304) | (24,912) |
| Cash (used in) / generated from operating activities | C.1 | (3,812) | 22,752 | 48,221 | (54,635) |
| Cash Flows from Investing Activities | | | | | |
| Acquisition of property, plant and equipment | C.2 | (6,575) | (1,007) | (11,803) | (44,311) |
| Investment in associates | | - | (1,649) | - | (1,649) |
| Dividend income from investment in shares | | 21 | - | 62 | - |
| Dividend income from investment in associates | | 1,225 | 6,290 | 2,035 | 9,865 |
| Share buy-back | | - | (120) | (9) | (120) |
| (Advance to) / repayment from associates | | (1,237) | 1 | (587) | (17,497) |
| Investment in shares | | (534) | - | (534) | - |
| Interest received | | 366 | 355 | 3,171 | 2,666 |
| Cash (used in) / generated from investing activities | | (6,734) | 3,870 | (7,665) | (51,046) |
| Cash Flows from Financing Activities | | | | | |
| Proceeds from borrowings | | 67,729 | 7,243 | 152,202 | 157,569 |
| Repayment of borrowings | | (69,428) | (25,140) | (192,569) | (82,800) |
| Fixed deposit pledged to banks and financial institutions | | - | - | - | (5,972) |
| Interest paid | | (4,756) | (6,850) | (16,526) | (18,379) |
| Dividend paid to non-controlling shareholders | | - | - | (250) | - |
| Dividend paid to owners of the company | | (2,551) | (6,003) | (16,429) | (21,483) |
| Proceeds from share issued to non-controlling interest | | 200 | - | 200 | - |
| Cash (used in) / generated from financing activities | C.3 | (8,806) | (30,750) | (73,372) | 28,935 |

| | Third quarter ended 30 September | | Nine Months ended 30 September | | |
|--|---|-----------------|---|-----------------|----------|
| | 2017 | 2016 | 2017 | 2016 | |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | |
| Net decrease in cash and cash equivalents | (19,352) | (4,128) | (32,816) | (76,746) | |
| Cash and cash equivalents at beginning of period | 223,868 | 238,531 | 237,280 | 312,983 | |
| Effects of foreign currency translation | 206 | 4,319 | 258 | 2,485 | |
| Cash and cash equivalents at end of period | 204,722 | 238,722 | 204,722 | 238,722 | |
| <u>Analysis of cash and cash equivalents:-</u> | | | | | |
| Project accounts | C.4 | 14,377 | 31,149 | 14,377 | 31,149 |
| Fixed deposits in project accounts | | 48,500 | 68,000 | 48,500 | 68,000 |
| Fixed deposits | | 130,998 | 187,078 | 130,998 | 187,078 |
| Cash and bank balances | | 98,892 | 40,495 | 98,892 | 40,495 |
| | | 292,767 | 326,722 | 292,767 | 326,722 |
| Less: Fixed deposits pledged to banks and financial institutions | | (88,045) | (88,000) | (88,045) | (88,000) |
| | | 204,722 | 238,722 | 204,722 | 238,722 |

Notes to the consolidated statement of cash flows:

- C.1 The net cash inflows from operating activities of \$48.2 million in 9M2017 as compared to net cash outflows of \$54.6 million in 9M2016 was mainly from progress billings received from projects which obtained TOP in 4Q2016 and Jan 2017.
- C.2 The cash outflows for 9M2017 mainly related to the development cost for the hotel/resort under retrofitting/construction in Maldives and Chalong.
- C.3 The net cash outflows from financing activities of \$73.4 million in 9M2017 were mainly due to repurchase of MTN Notes, repayment of borrowings for completed projects and payment of dividend. These were partially offset by proceeds from borrowings for the 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 earnings 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 |
| Profit for the period | - | - | - | - | 20,650 | 20,650 | 980 | 21,630 |
| Comprehensive income for the period | - | - | - | - | 20,650 | 20,650 | 980 | 21,630 |
| Other comprehensive income | | | | | | | | |
| Net change in fair value of available-for-sale financial assets | - | - | 75 | - | - | 75 | - | 75 |
| Tax on other comprehensive income | - | - | (12) | - | - | (12) | - | (12) |
| Foreign currency translation differences | - | - | - | 5,099 | - | 5,099 | (251) | 4,848 |
| Total other comprehensive income for the period | - | - | 63 | 5,099 | - | 5,162 | (251) | 4,911 |
| Total comprehensive income for the period | - | - | 63 | 5,099 | 20,650 | 25,812 | 729 | 26,541 |
| Transaction with owners, recognised directly in equity | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | |
| Share buy-back | - | (9) | - | - | - | (9) | - | (9) |
| Dividend paid | - | - | - | - | (13,878) | (13,878) | - | (13,878) |
| Total transactions with owners | - | (9) | - | - | (13,878) | (13,887) | - | (13,887) |
| Balance at 30 June 2017 | 47,399 | (564) | 113 | 2,950 | 453,290 | 503,188 | 4,474 | 507,662 |
| Profit for the period | - | - | - | - | 1,499 | 1,499 | 788 | 2,287 |
| Comprehensive income for the period | - | - | - | - | 1,499 | 1,499 | 788 | 2,287 |
| Other comprehensive income | | | | | | | | |
| Fair value of owner occupied PPE transferred to IP financial assets | - | - | 533 | - | - | 533 | - | 533 |
| Net change in fair value of available-for-sale financial assets | - | - | 86 | - | - | 86 | - | 86 |
| Tax on other comprehensive income | - | - | (15) | - | - | (15) | - | (15) |
| Foreign currency translation differences | - | - | - | 792 | - | 792 | 250 | 1,042 |
| Total other comprehensive income for the period | - | - | 604 | 792 | - | 1,396 | 250 | 1,646 |
| Total comprehensive income for the period | - | - | 604 | 792 | 1,499 | 2,895 | 1,038 | 3,933 |
| Transaction with owners, recognised directly in equity | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | |
| Issue of share to non-controlling interests | - | - | - | - | - | - | 200 | 200 |
| Dividend paid | - | - | - | - | (2,551) | (2,551) | (250) | (2,801) |
| Total transactions with owners | - | - | - | - | (2,551) | (2,551) | (50) | (2,601) |
| Balance at 30 September 2017 | 47,399 | (564) | 717 | 3,742 | 452,238 | 503,532 | 5,462 | 508,994 |



**Roxy-Pacific
Holdings Limited**

| Group | Share capital S\$'000 | Treasury shares S\$'000 | Fair value reserve S\$'000 | Translation reserve S\$'000 | Retained earnings S\$'000 | Equity attributable to owners of the Company S\$'000 | Non-controlling interests S\$'000 | Total S\$'000 |
|---|--------------------------|----------------------------|-------------------------------|--------------------------------|------------------------------|---|--------------------------------------|------------------|
| Balance at 1 January 2016 | 47,399 | - | 68 | (8,083) | 418,197 | 457,581 | 629 | 458,210 |
| Profit for the period | - | - | - | - | 29,803 | 29,803 | 1,692 | 31,495 |
| Comprehensive income for the period | - | - | - | - | 29,803 | 29,803 | 1,692 | 31,495 |
| Other comprehensive income | | | | | | | | |
| Net change in fair value of available-for-sale financial assets | - | - | (38) | - | - | (38) | - | (38) |
| Tax on other comprehensive income | - | - | 6 | - | - | 6 | - | 6 |
| Foreign currency translation differences | - | - | - | (1,512) | - | (1,512) | (1) | (1,513) |
| Total other comprehensive income for the period | - | - | (32) | (1,512) | - | (1,544) | (1) | (1,545) |
| Total comprehensive income for the period | - | - | (32) | (1,512) | 29,803 | 28,259 | 1,691 | 29,950 |
| Transactions with owners, recognised directly in equity | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | |
| Dividend paid | - | - | - | - | (15,480) | (15,480) | - | (15,480) |
| Total transactions with owners | - | - | - | - | (15,480) | (15,480) | - | (15,480) |
| Balance at 30 June 2016 | 47,399 | - | 36 | (9,595) | 432,520 | 470,360 | 2,320 | 472,680 |
| Total comprehensive income for the period | | | | | | | | |
| Profit for the period | - | - | - | - | 8,104 | 8,104 | 735 | 8,839 |
| Total comprehensive income for the period | - | - | - | - | 8,104 | 8,104 | 735 | 8,839 |
| Other comprehensive income | | | | | | | | |
| Net change in fair value of available-for-sale financial assets | - | - | 91 | - | - | 91 | - | 91 |
| Tax on other comprehensive income | - | - | (15) | - | - | (15) | - | (15) |
| Foreign currency translation differences | - | - | - | 6,656 | - | 6,656 | 1 | 6,657 |
| Total other comprehensive income for the period | - | - | 76 | 6,656 | - | 6,732 | 1 | 6,733 |
| Total comprehensive income for the period | - | - | 76 | 6,656 | 8,104 | 14,836 | 736 | 15,572 |
| Transactions with owners, recognised directly in equity | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | |
| Share buy-back | - | (120) | - | - | - | (120) | - | (120) |
| Dividend paid | - | - | - | - | (6,003) | (6,003) | - | (6,003) |
| Total transactions with owners | - | (120) | - | - | (6,003) | (6,123) | - | (6,123) |
| Balance at 30 September 2016 | 47,399 | (120) | 112 | (2,939) | 434,621 | 479,073 | 3,056 | 482,129 |



**Roxy-Pacific
Holdings Limited**

| Company | Share capital S\$'000 | Treasury shares S\$'000 | Fair value reserve S\$'000 | Translation reserve S\$'000 | Retained earnings S\$'000 | Equity attributable to owners of the Company S\$'000 | Total S\$'000 |
|---|-----------------------------|-------------------------------|-------------------------------------|-----------------------------------|---------------------------------|--|------------------|
| Balance at 1 January 2017 | 47,399 | (555) | - | 4,187 | 68,392 | 119,423 | 119,423 |
| Profit for the period | - | - | - | - | 26,851 | 26,851 | 26,851 |
| Comprehensive income for the period | - | - | - | - | 26,851 | 26,851 | 26,851 |
| Other comprehensive income | | | | | | | |
| Foreign currency translation differences | - | - | - | 1,615 | - | 1,615 | 1,615 |
| Total other comprehensive income for the period | - | - | - | 1,615 | - | 1,615 | 1,615 |
| Total comprehensive income for the period | - | - | - | 1,615 | 26,851 | 28,466 | 28,466 |
| Transactions with owners, recognised directly in equity | | | | | | | |
| Contributions by and distributions to owners | | | | | | | |
| Share buy-back | - | (9) | - | - | - | (9) | (9) |
| Dividend paid | - | - | - | - | (13,878) | (13,878) | (13,878) |
| Total transactions with owners | - | (9) | - | - | (13,878) | (13,887) | (13,887) |
| Balance at 30 June 2017 | 47,399 | (564) | - | 5,802 | 81,365 | 134,002 | 134,002 |
| Profit for the period | - | - | - | - | 53,607 | 53,607 | 53,607 |
| Comprehensive income for the period | - | - | - | - | 53,607 | 53,607 | 53,607 |
| Other comprehensive income | | | | | | | |
| Net change in fair value of available-for-sale financial assets | - | - | 86 | - | - | 86 | 86 |
| Tax on other comprehensive income | - | - | (14) | - | - | (14) | (14) |
| Foreign currency translation differences | - | - | - | 572 | - | 572 | 572 |
| Total other comprehensive income for the period | - | - | 72 | 572 | - | 644 | 644 |
| Total comprehensive income for the period | - | - | 72 | 572 | 53,607 | 54,251 | 54,251 |
| Transactions with owners, recognised directly in equity | | | | | | | |
| Contributions by and distributions to owners | | | | | | | |
| Dividend paid | - | - | - | - | (2,550) | (2,550) | (2,550) |
| Total transactions with owners | - | - | - | - | (2,550) | (2,550) | (2,550) |
| Balance at 30 September 2017 | 47,399 | (564) | 72 | 6,374 | 132,422 | 185,703 | 185,703 |



**Roxy-Pacific
Holdings Limited**

| Company | Equity attributable to owners of the Company | | | | | Total S\$'000 |
|--|--|----------------------------|--------------------------------|------------------------------|--------------------|------------------|
| | Share capital S\$'000 | Treasury shares S\$'000 | Translation reserve S\$'000 | Retained earnings S\$'000 | Company S\$'000 | |
| Balance at 1 January 2016 | 47,399 | - | (229) | 71,388 | 118,558 | 118,558 |
| Profit for the period | - | - | - | 11,155 | 11,155 | 11,155 |
| Comprehensive income for the period | - | - | - | 11,155 | 11,155 | 11,155 |
| Other Comprehensive income | | | | | | |
| Foreign currency translation difference | - | - | 911 | - | 911 | 911 |
| Total other comprehensive income for the period | - | - | 911 | - | 911 | 911 |
| Total comprehensive income for the period | - | - | 911 | 11,155 | 12,066 | 12,066 |
| Transactions with owners, recognised directly in equity | | | | | | |
| Contributions by and distributions to owners | | | | | | |
| Dividened paid | - | - | - | (15,480) | (15,480) | (15,480) |
| Total transactions with owners | - | - | - | (15,480) | (15,480) | (15,480) |
| Total comprehensive income for the period | - | - | 911 | 11,155 | 12,066 | 12,066 |
| Balance at 30 June 2016 | 47,399 | - | 682 | 67,063 | 115,144 | 115,144 |
| Profit for the period | - | - | - | 5,550 | 5,550 | 5,550 |
| Comprehensive income for the period | - | - | - | 5,550 | 5,550 | 5,550 |
| Other comprehensive income | | | | | | |
| Foreign currency translation difference | - | - | 4,249 | - | 4,249 | 4,249 |
| Total other comprehensive income for the period | - | - | 4,249 | - | 4,249 | 4,249 |
| Total comprehensive income for the period | - | - | 4,249 | 5,550 | 9,799 | 9,799 |
| Transactions with owners, recognised directly in equity | | | | | | |
| Contributions by and distributions to owners | | | | | | |
| Share buy-back | - | (120) | - | - | (120) | (120) |
| Dividend paid | - | - | - | (6,003) | (6,003) | (6,003) |
| Total transactions with owners | - | (120) | - | (6,003) | (6,123) | (6,123) |
| Balance at 30 September 2016 | 47,399 | (120) | 4,931 | 66,610 | 118,820 | 118,820 |

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

Ordinary share capital and Treasury shares

There were no changes in the Company's issued share capital and treasury shares during the three months ended 30 September 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.

| | 30 September 2017 | 30 September 2016 |
|---|----------------------|----------------------|
| Issued, fully paid share capital: | | |
| Balance number of shares as at the beginning of period | 1,192,223,494 | 1,193,549,994 |
| Purchase of treasury shares | - | (280,000) |
| Total number of shares as at the end of period net of treasury shares | <u>1,192,223,494</u> | <u>1,193,269,994</u> |

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

Not applicable.

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

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

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

Not applicable.

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

For the current financial reporting period ended 30 September 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.

| Earnings per share for the financial period | Third quarter ended 30 September | | Nine months ended 30 September | |
|--|-------------------------------------|-----------|-----------------------------------|-----------|
| | 2017 | 2016 | 2017 | 2016 |
| (a) Based on the weighted average number of ordinary shares on issue (cents) | 0.13 | 0.68 | 1.86 | 3.18 |
| (b) On fully diluted basis (cents) | 0.13 | 0.68 | 1.86 | 3.18 |
| Profit attributable to shareholders of the Company (\$'000) | 1,499 | 8,104 | 22,149 | 37,907 |
| Weighted average number of shares ('000) | 1,192,224 | 1,193,538 | 1,192,224 | 1,193,538 |

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

- (a) current financial period reported on; and
(b) immediately preceding financial year

| | Group | | Company | |
|---|--------------|-----------|--------------|-----------|
| | 30-Sep-17 | 31-Dec-16 | 30-Sep-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)) | 42.23 | 41.20 | 15.58 | 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 30 September 2017, our directors estimated that the fair value of these properties was estimated to be \$635.0 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 \$477.7 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 | |
|---|--------------|-----------|
| | 30-Jun-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)) | 82.31 | 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

| GROUP | Third quarter ended 30-September | | Change Increase/ (Decrease) | | Nine months ended 30-September | | Change Increase/ (Decrease) | | | |
|---|-------------------------------------|-----------------|-----------------------------------|------|-----------------------------------|-----------------|-----------------------------------|----------------|------|-------------|
| | 2017 S\$'000 | 2016 S\$'000 | | % | 2017 S\$'000 | 2016 S\$'000 | | % | | |
| REVENUE | | | | | | | | | | |
| Property Development | 46,493 | 77% | 76,246 | 83% | -39% | 162,016 | 80% | 248,004 | 85% | -35% |
| Hotel Ownership | 10,897 | 18% | 11,456 | 13% | -5% | 32,283 | 16% | 35,008 | 12% | -8% |
| Property Investment | 2,861 | 5% | 3,207 | 4% | -11% | 9,194 | 4% | 9,254 | 3% | -1% |
| | 60,251 | 100% | 90,909 | 100% | -34% | 203,493 | 100% | 292,266 | 100% | -30% |
| GROSS PROFIT | | | | | | | | | | |
| Property Development | 9,751 | 56% | 9,581 | 52% | 2% | 23,729 | 50% | 33,852 | 55% | -30% |
| Hotel Ownership | 5,799 | 33% | 6,578 | 36% | -12% | 17,428 | 37% | 20,543 | 34% | -15% |
| Property Investment | 1,989 | 11% | 2,291 | 12% | -13% | 6,461 | 13% | 6,628 | 11% | -3% |
| | 17,540 | 100% | 18,450 | 100% | -5% | 47,616 | 100% | 61,023 | 100% | -22% |
| GROSS PROFIT MARGIN (%) | | | | | | | | | | |
| Property Development | 21% | | 13% | | 8 ppt | 15% | | 14% | | 1 ppt |
| Hotel Ownership | 53% | | 57% | | -4 ppt | 54% | | 59% | | -5 ppt |
| Property Investment | 70% | | 71% | | -1 ppt | 70% | | 72% | | -2 ppt |
| Total | 29% | | 20% | | 9 ppt | 23% | | 21% | | 2 ppt |
| ADJUSTED EBITDA | | | | | | | | | | |
| Property Development | 8,408 | 82% | 12,287 | 71% | -32% | 23,774 | 39% | 41,241 | 57% | -42% |
| Hotel Ownership | 1,615 | 16% | 2,449 | 14% | -34% | 5,690 | 9% | 9,186 | 13% | -38% |
| Property Investment - Rental income | (134) | -1% | 2,125 | 12% | -106% | 3,423 | 6% | 5,822 | 8% | -41% |
| Property Investment - Fair value gain | (0) | 0% | - | 0% | 0% | 24,047 | 40% | 15,540 | 21% | 55% |
| Property Investment - Share of result of associates | 325 | 3% | 346 | 2% | -6% | 3,879 | 6% | 480 | 1% | n/m |
| | 10,214 | 100% | 17,207 | 100% | -41% | 60,812 | 100% | 72,269 | 100% | -16% |
| PROFIT BEFORE TAX | | | | | | | | | | |
| Adjusted EBITDA | 10,214 | | 17,207 | | -41% | 60,812 | | 72,269 | | -16% |
| Corporate expenses | (3,484) | | (2,201) | | 58% | (5,958) | | (8,736) | | -32% |
| Depreciation of property, plant and equipment | (507) | | (1,443) | | -65% | (4,051) | | (4,185) | | -3% |
| Impairment of long-term loan to associate | - | | - | | n/m | (5,197) | | - | | n/m |
| Net interest expense | (2,871) | | (3,321) | | -14% | (9,055) | | (8,786) | | 3% |
| Net unrealised foreign exchange gain / (loss) | 51 | | (1,428) | | -104% | 776 | | 1,369 | | n/m |
| Fair value gain / (loss) on cross currency interest rate swap | (11) | | 2,071 | | -101% | 666 | | (281) | | n/m |
| | 3,390 | | 10,885 | | -69% | 37,994 | | 51,650 | | -26% |

n/m: not meaningful



**Roxy-Pacific
Holdings Limited**

(ii) Geographical segments

| | Singapore | Australia | Japan | Thailand | Malaysia | Hong Kong | Indonesia | Maldives | Total |
|---------------------------|----------------|----------------|---------------|---------------|---------------|---------------|--------------|---------------|------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue | | | | | | | | | |
| Third quarter ended | | | | | | | | | |
| 30 Sep 2017 | 56,711 | 2,438 | 993 | - | - | - | - | 109 | 60,251 |
| 30 Sep 2016 | 86,942 | 2,791 | 1,159 | - | - | - | - | 17 | 90,909 |
| Nine months ended | | | | | | | | | |
| 30 Sep 2017 | 192,007 | 7,945 | 3,190 | - | - | - | - | 351 | 203,493 |
| 30 Sep 2016 | 280,508 | 7,963 | 3,738 | 41 | - | - | - | 17 | 292,266 |
| Non-current assets | | | | | | | | | |
| As at 30 Sep 2017 | 173,124 | 240,744 | 34,436 | 23,153 | 19,795 | 26,436 | 3,972 | 48,117 | 569,779 |
| As at 31 Dec 2016 | 176,488 | 209,507 | 36,147 | 17,445 | 20,972 | 23,674 | 4,227 | 45,117 | 533,577 |
| Total assets | | | | | | | | | |
| As at 30 Sep 2017 | 840,990 | 421,293 | 37,665 | 23,941 | 19,795 | 26,438 | 3,975 | 49,554 | 1,423,650 |
| As at 31 Dec 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

(i) Revenue

The Group achieved revenue of \$203.5 million in 9M2017, 30% lower than \$292.3 million in 9M2016. For 3Q2017, the Group achieved revenue of \$60.3 million, 34% lower than \$90.9 million in 3Q2016. 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 80% of the Group's turnover in 9M2017, decreased 35% to \$162.0 million in 9M2017 from \$248.0 million in 9M2016. For 3Q2017, revenue from the Property Development segment which contributed 77% of the Group's turnover, decreased 39% to \$46.5 million from \$76.2 million in 3Q2016. The decrease was largely due to lower revenue recognition from Jade Residences, Whitehaven, LIV on Wilkie and an 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. Although the Group has made good progress in the sales and construction of its projects in Australia, unlike in Singapore, it cannot progressively recognise the revenue as the completed contract method in accounting is adopted for these projects.

(b) Hotel Ownership and Property Investment

The Hotel Ownership segment, which contributed 16% to the Group's turnover in 9M2017, registered \$32.3 million in revenue as compared to \$35.0 million in 9M2016. For 3Q2017, the Hotel Ownership segment contributed that 18% to the Group's turnover, registered \$10.9 million in revenue as compared to \$11.5 million in 3Q2016. The decrease was mainly due to lower revenue per available room ("RevPar") from the Grand Mercure Singapore Roxy hotel as a result of subdued corporate activity caused by continued global economic uncertainty in certain sectors such as the Offshore & Marine and pricing competition from new hotel supply.

Revenue from the Property Investment segment constituted the balance of 4% of the Group's turnover and contributed \$9.2 million in 9M2017 as compared to \$9.3 million in 9M2016. For 3Q2017, revenue from Property Investment segment contributed \$2.9 million as compared to \$3.2 million in 3Q2016.

(ii) Cost of sales and gross profit

In line with the decrease in revenue, cost of sales decreased by 33% to \$155.9 million in 9M2017 from \$231.2 million in 9M2016. In 3Q2017, cost of sales decreased by 41% to \$42.7 million from \$72.5 million in 3Q2016.

Gross profit from the Property Development segment contributed \$23.7 million or 50% of the Group's total gross profit in 9M2017, while the remaining 50% or \$23.9 million was contributed by the Hotel Ownership and Property Investment segments. Gross profit margin from the Property Development segment was 15% in 9M2017, as compared to 14% in 9M2016. The gross profit margin of the Hotel Ownership segment decreased 5 percentage points to 54% in 9M2017 mainly due to lower RevPar from Grand Mercure Roxy Hotel ("GMRH") in 9M2017. Gross profit margin of the Property Investment segment decreased marginally by 2 percentage points to 70% in 9M2017.

In 3Q2017, gross profit from the Property Development segment contributed \$9.8 million or 56% of the Group's total gross profit, while the remaining 44% or \$7.8 million was contributed by the Hotel Ownership and Property Investment segments. Gross profit margin from the Property Development segment was 21% in 3Q2017, as compared to 13% in 3Q2016. This was mainly due to write-back of an over-provision of development cost relating to certain projects completed in prior periods. The gross profit margin of the Hotel Ownership segment decreased 4 percentage points to 53% in 3Q2017 as compared to 57% in 3Q2016 mainly due to lower RevPar from GMRH in 3Q2017. Gross profit margin of the Property Investment segment decreased 1 percentage point to 70% in 3Q2017 from 71% in 3Q2016.

The Group's overall gross profit margin in 9M2017 was 23%, higher than the 21% recorded in 9M2016. For 3Q2017, the Group's overall gross profit margin was 29%, compared with 20% in 3Q2016 due to higher margin from Property Development segment.

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 8-9 and explanatory notes to the consolidated statement of cash flows on page 12.

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

The Group's performance for the period under review is in line with expectations disclosed in the announcement of results for the first half year ended 30 June 2017.

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

Based on advanced estimates from the Ministry of Trade and Industry Singapore¹, the Singapore economy grew by 4.6% year-on-year in the third quarter of 2017, higher than the 2.9% growth in 2Q2017. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy grew by 6.3%, an improvement from the 2.4% growth in the second quarter.

Australia's economy also posted positive growth of 0.8% on a year-on-year seasonally adjusted basis for the quarter ended June 2017. The Reserve Bank of Australia had projected that the country's GDP will grow between 2.5% and 3.5% for the year ended December 2017².

Property Development

Singapore

Latest real estate statistics from the Urban Redevelopment Authority³ showed that prices of private residential properties increased by 0.7% in 3Q2017, compared to a 0.1% decline in 2Q2017, rising for the first time in nearly four years. Buying sentiments have improved, as demonstrated in the 60.1% surge in developers' sales in the first nine months of the year, on a year-on-year basis.

Ahead of the property market's gradual recovery, the Group has prudently replenished its land bank with predominantly freehold sites in Singapore at reasonable prices to maximise the yield potential of these projects. The Group looks forward to the upcoming launch of its 48-unit Navian freehold apartment development in Jalan Eunus and will continue to monitor the market closely to seize growth opportunities.

Australia

In Australia, residential property prices rose 1.9% for the June 2017 quarter, contributing to the 10.2% growth seen through the year to the June 2017 quarter. Key cities where the Group's properties are located in registered healthy growth – Sydney posted a 2.3% rise, Melbourne registered a 3.0% growth, and Brisbane grew 0.6%⁴.

The Group's latest project in Australia, West End Glebe – The Foundry, which was launched in April 2017 has received warm reception and is since 85% sold. It is expected to contribute positively to the Group's profits upon its completion in 2019.

¹ Ministry of Trade and Industry Singapore, October 13, 2017 – [Singapore's GDP grew by 4.6 per cent in the third quarter of 2017](#)

² Reserve Bank of Australia, September 6, 2017 – [Australian National Accounts: National Income, Expenditure and Product, Jun 2017](#)

³ Urban Redevelopment Authority, October 27, 2017 – [URA releases 3rd Quarter 2017 real estate statistics](#)

⁴ Australian Bureau of Statistics, September 19, 2017 – [Residential Property Price Indexes: Eight Capital Cities, Jun 2017](#)



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As at 17 October 2017, based on units sold from the following ongoing development projects, the Group has total attributable pre-sale revenue of \$465.6 million. The profits from the Singapore residential projects will be progressively recognised from 4Q2017 to FY2020.

| Project name | Type of development | Group stake % | Total units in project Unit | Unit sold % | Attributable total sale value ^{(i) (ii)} \$'m | Attributable revenue recognised up to 30 Sep 2017 \$'m | Balance attributable progress billings to be recognised from 4Q2017 \$'m |
|-------------------------------------|---------------------|---------------|-----------------------------|-------------|--|--|--|
| Singapore | | | | | | | |
| 1 Eon Shenton | Office | 20% | 98 | 100% | \$ 60.1 | \$ 55.7 | \$ 4.4 |
| | Residential | 20% | 132 | 99% | \$ 39.9 | \$ 37.0 | \$ 2.9 |
| | Shop | 20% | 23 | 100% | \$ 4.8 | \$ 4.4 | \$ 0.4 |
| 2 Trilive | Residential | 85% | 222 | 100% | \$ 224.1 | \$ 194.0 | \$ 30.1 |
| | Shop | 85% | 2 | 50% | \$ 0.7 | \$ 0.6 | \$ 0.1 |
| 3 Straits Mansions | Residential | 100% | 25 | 100% | \$ 48.2 | \$ 8.2 | \$ 40.0 |
| Malaysia | | | | | | | |
| 4 Wisma Infinitem - The Colony | Residential | 47% | 423 | 69% | \$ 48.6 | - | \$ 48.6 |
| Wisma Infinitem - The Luxe | Residential | 47% | 300 ⁽ⁱⁱⁱ⁾ | 19% | \$ 11.2 | - | \$ 11.2 |
| Australia | | | | | | | |
| Sydney | | | | | | | |
| 5 The Hensley, Potts Point | Residential | 100% | 44 | 95% | \$ 73.1 | - | \$ 73.1 |
| | Shop | 100% | 1 | 100% | \$ 1.2 | - | \$ 1.2 |
| 6 Octavia, Killara | Residential | 100% | 43 | 95% | \$ 49.5 | - | \$ 49.5 |
| 7 West End Glebe, Block 1 (Foundry) | Residential | 100% | 140 | 85% | \$ 146.0 | - | \$ 146.0 |
| West End Glebe, Block 2 (Art House) | Residential | 100% | 91 ^(iv) | 24% | \$ 26.4 | - | \$ 26.4 |
| South Brisbane | | | | | | | |
| 8 New World Towers, Peel Street | Residential | 40% | 195 ^(v) | 63% | \$ 31.8 | - | \$ 31.8 |
| Total | | | 1,739 | | \$ 765.5 | \$ 299.9 | \$ 465.6 |

(i) For Singapore projects, sale value is based on Option to Purchase granted up to 17 October 2017

(ii) For overseas projects, sale value is based on contract signed up to 17 October 2017

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

(iv) Represents Block 2 of the development which was launched on 29th July 2017

(v) Represents Tower 1 of the development. Tower 2 with an estimated 240 units are pending launch



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

| | 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) |
|---|---|--------------------------------------|------------------------------------|---|----------------------|--|---|
| 1 | 178,180,180A, 182 & 184 Jalan Eunus | 48 units of Residential Development | 2,433 | 3,242 | 100% | 3,242 | S\$25.2m |
| 2 | 211 – 223A Pasir Panjang Road | 57 units of Residential Development | 2,856 | 3,998 | 100% | 3,998 | S\$33.3m |
| 3 | 120 Grange Road | 56 units of Residential Development | 1,466 | 3,079 | 90% | 2,771 | S\$43.6m |
| 4 | 826/A - 834/A Upper Bukit Timah Road | 34 units of Residential Development | 953 | 2,382 | 80% | 1,906 | S\$13.6m |
| 5 | River Valley Road | 148 units of Residential Development | 2,675 | 7,491 | 100% | 7,491 | S\$110.0m |
| 6 | 2,6,12 & 14 Guillemard Lane | 97 units of Residential Development | 2,378 | 6,658 | 50% | 3,329 | S\$28.0m |
| 7 | 386/A/B, 388/A/B, 390/A/B, 392/A/B Dunearn Road | 36 units of Residential Development | 1,784 | 2,498 | 100% | 2,498 | S\$36.3m |
| | Total | 476 units | 14,545 | 29,348 | | 25,235 | S\$290.0m |

The Group remain focused to launch these newly acquired lands for sale this year and in FY2018.

Hotel Ownership

Singapore's tourism sector saw a 4% year-on-year increase in International Visitor Arrivals in the first quarter of 2017, receiving 4.3 million visitors, while tourism receipts grew 15% to reach S\$6.4 billion. While Average Occupancy Rate grew 1.3%, gazetted hotel room revenue and Revenue Per Available Room (RevPAR) declined 1.3% and 1.2% year-on-year⁵.

The Singapore Tourism Board maintains a conservative outlook for 2017, forecasting international visitor arrivals to grow between 0% and 2%⁶. Additionally, Singapore emerged as Asia-Pacific's second most visited destination by international visitors in 2016 and top in terms of amount spent by visitors in the MasterCard Global Destination Cities Index released in September 2017 – a testament of Singapore's position as a key tourism destination in Asia.

Following the launch of Roxy-Pacific's first internally-managed hotel in Kyoto, Japan under the new Noku Roxy brand, the Group plans to launch its second self-managed hospitality asset in Maldives in 4Q2017 with the Phuket resort to follow in 2019. The Group has completed the purchase of Tenmabashi Grand Hotel in Osaka, Japan on 17 October 2017 and intends to re-brand the hotel under Noku Roxy brand.

Property Investment

The Group has completed the sale of its office building at 59 Goulburn Street on 16 October 2017. To maintain its recurring income streams, the Group has recycled capital from the sale by entering into agreements to acquire two commercial buildings in Auckland, New Zealand. The first property at 205 Queen Street is a Grade A office building that is 50%-owned by the Group, while the second commercial office building, known as NZI Centre, is strategically located on the western side of Auckland's Central Business District. The Group will continue to explore such yield accretive opportunities to strengthen its income streams and enhance shareholder value.

⁵ Singapore Tourism Board, July 31, 2017 – [STB Q1 2017 Tourism Sector Performance](#)

⁶ Singapore Tourism Board, February 14, 2017 – [Singapore achieves record tourism sector performance in 2016](#)



**Roxy-Pacific
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Outlook

Barring any unforeseen circumstances, the directors expect the Group to be profitable in 2017.

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

30th October 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 period ended 30 September 2017 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

30th October 2017
Singapore