

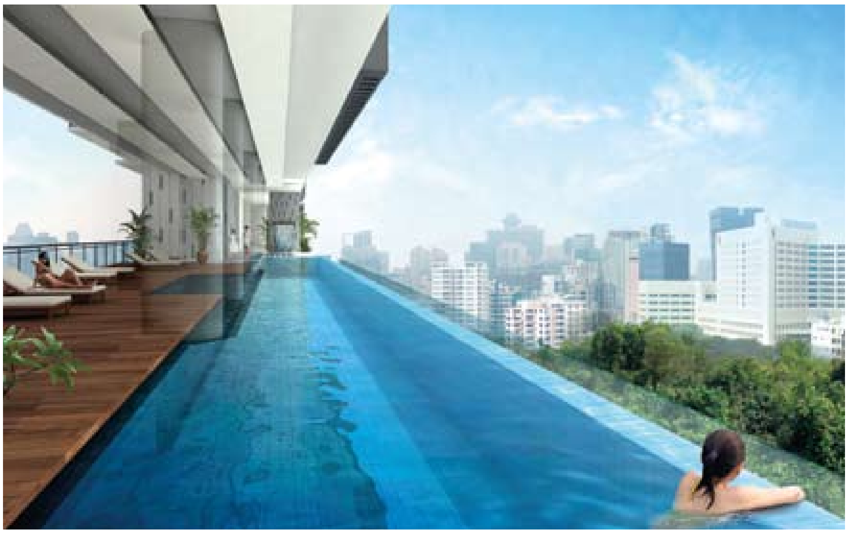

For Quality and Value

Annual Report 2008

Roxy-Pacific Holdings Limited

Contents

Corporate Profile



"Our sizeable property portfolio in Singapore embraces Residential Homes, Hotel and Shopping Centres and Roxy brand is a hallmark for Quality and Value"

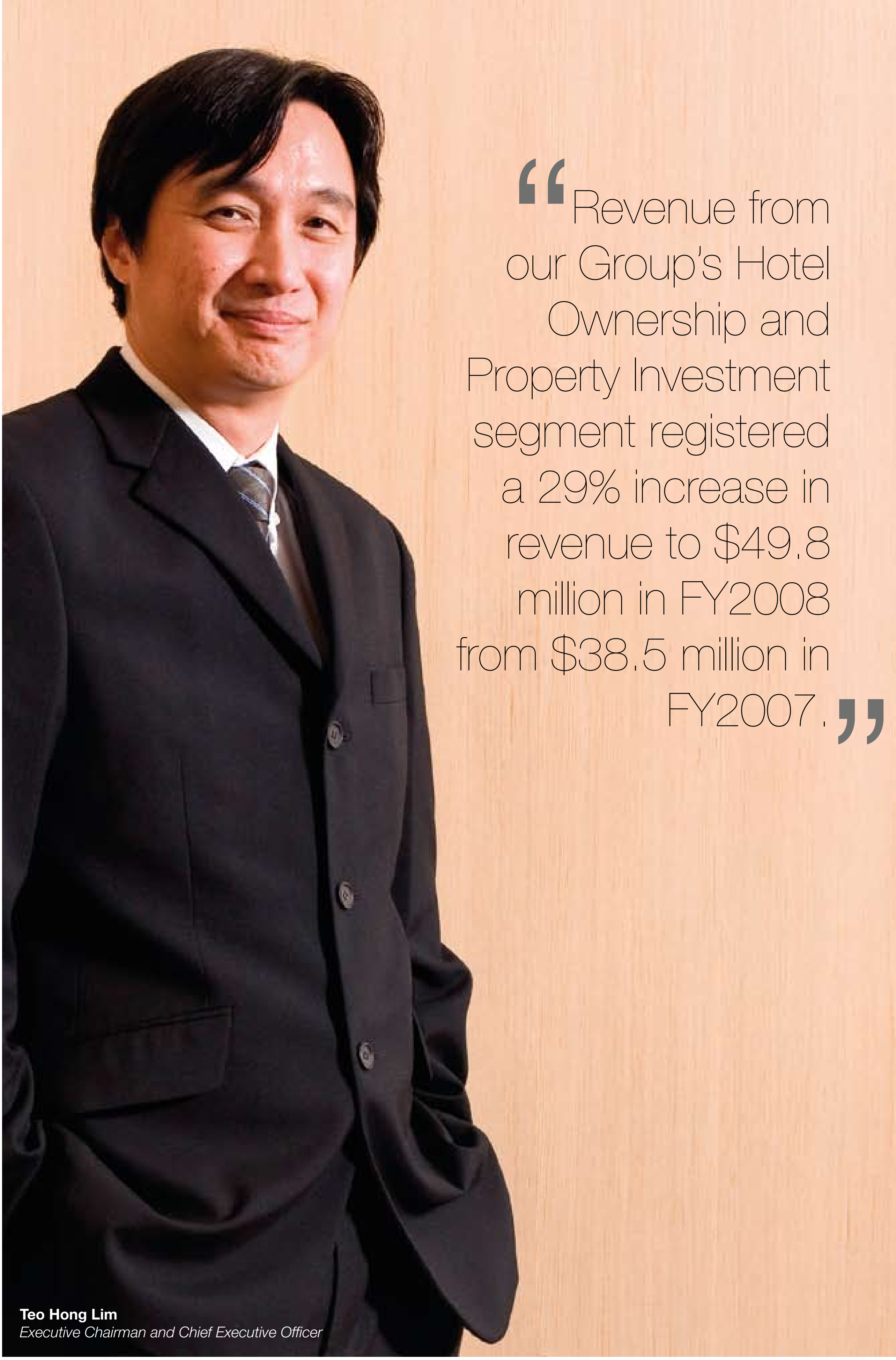
Roxy-Pacific Holdings Limited is a homegrown specialty property and hospitality group with a track record that extends back to 1967.

Listed on the SGX Mainboard in March 2008, the Group is principally engaged in the development and sale of residential properties ("Property Development") and the ownership of Grand Mercure Roxy Hotel and other investment properties ("Hotel Ownership and Property Investment").

In Property Development, Roxy is an established brand name for small and medium size residential developments with unique design features. The Group's developments offer desirable living environments which epitomises quality and innovation and are targeted at middle to upper middle income buyers.

Between 2004 and 2008, the Group developed and launched sixteen freehold projects comprising 443 units of small to medium size developments with a sales value of $401.4 million, mainly in the eastern region of Singapore.

The Group also owns the Grand Mercure Roxy Hotel, a 558-room hotel managed by the international hotel operator, Accor Group. Strategically located in the East Coast area, the hotel is close to the CBD, the Changi airport and the upcoming Marina Bay Resort Casino. In 2008, the hotel enjoyed a high Average Occupancy Rate ("AOR") of 87.9% and Average Room Rate ("ARR") of $200.3.



“Revenue from our Group’s Hotel Ownership and Property Investment segment registered a 29% increase in revenue to $49.8 million in FY2008 from $38.5 million in FY2007.”

Teo Hong Lim
Executive Chairman and Chief Executive Officer

Chairman's Message

Dear valued shareholders,

On behalf of the Board of Directors, I am pleased to present the annual report of Roxy-Pacific Holdings Limited for the financial year ended 31 December 2008 ("FY2008").

Roxy-Pacific was successfully admitted to the official list of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 12 March 2008. For the full year ended 31 December 2008, our Group has continued to achieve a strong set of results. Overall, our Group's net profit rose 28% to $24.7 million from $19.3 million in FY2007, driven by a significant rise in revenue of 27% to $130.1 million.

Segment Highlights

During the year under review, our Group continued to register growth in all our three core business segments - Property Development, Hotel Ownership and Property Investment.

Property Development: We maintained our strategy of focusing on developments with unique design features for the mid-tier and mass market purchasers. This focus has rewarded us well with a 25% increase in revenue from $64.2 million in FY2007 to $80.3 million in FY2008. The gross profit margin for this segment also improved from 21% in FY2007 to 24% in FY2008.

Hotel Ownership and Property Investment: Revenue from our Group's Hotel Ownership and Property Investment segment registered a 29% increase in revenue to $49.8 million in FY2008 from $38.5 million in FY2007. Whilst our hotel's average occupancy rate (AOR) declined from 92.5% in FY2007 to 87.9% in FY2008, its average room rate (ARR) improved by 29.7% from $154.4 in FY2007 to $200.3 in FY2008. As a result, revenue per available room (RevPar) reported a 23.3% growth from $142.8 in FY2007 to $176.1 in FY2008.

Financial Position And Use Of IPO Funds

As at the end of FY2008, our Group maintained a strong cash and cash equivalents position of $111.7 million, up $78.0 million from FY2007, with interest cover ratio at 8.4x, up from 6.5x in the prior year. Net Asset Value per share also grew 58% to 17.3 cents per share.

Of the approximately $36.3 million net proceeds raised during the IPO in March 2008, the Group has utilised $15.6 million of the net proceeds to acquire a residential development land plot and to repay our short-term bank borrowings and revolving working capital loans.

Outlook

2009 has started off on an uncertain footing, as the economic and financial crisis continues to unfold and develop across the globe. The Singapore economy has been projected to contract by up to 5.0 per cent in 2009, leading to significant drop in employment. On the positive side, interest rates are expected to stay relatively low in 2009.

Singapore private residential property demand has been adversely affected by the onset of the recession. As a result, property prices have started to soften from the second half of 2008. Residential property demand and prices may be expected to stay soft for 2009.

The Singapore tourism sector is not spared from the global economic downturn. Singapore Tourism Board forecasts that in 2009, visitor arrivals will decline to between 9 and 9.5 million, and tourism receipts will be lower, in the range of $12 to $12.5 billion compared to visitor arrivals of 10.1 million and tourism receipts of $14.8 billion in FY2008.

Property Development

Our property segment is expected to be affected by the economic slowdown as buyers are generally cautious in view of current weak market sentiments. Our focus to develop properties for HDB-flat upgraders and middle to upper income families has enabled us to continue to find buyers for our properties amidst the weak market.

As a testament to the success of our focused strategy, our Group has achieved total pre-sale revenue of approximately $336.5 million, of which only $78.7 million has been recognised as of 31 December 2008. This is from the sale of 349 units from the Group's 13 development projects (The Montage, Axis@ Siglap, The Marque@Irrawaddy, The Medley, The Ambrosia, The Verte, The Azzuro, The Adara, The Ambra, The Florentine, The Lucent, Nova 88 and Nova 48). The balance amount of pre-sale revenue amounting to $257.8 million is expected to contribute positively to our Group's performance from 1QFY2009 to FY2011.

We are encouraged by the responses to both our recently launched residential projects, Nova 48 and Nova 88, which are located in close proximity to the city and the Novena shopping district. We remain optimistic that our focus in this mid-tier and mass market segment will continue to support the growth in the Property Development segment in the years ahead.

Hotel Ownership and Property Investment

With a decline in visitor arrivals, our Group also anticipates a challenging outlook for the hotel sector in 2009. Our Group plans to complement the efforts of international

hotel operator, Accor Group, by continually evaluating, investing and implementing measures to upgrade, re-configure and improve relevant aspects of the hotel, to ensure that Grand Mercure Roxy Hotel continues to contribute positively to our Group's healthy recurring income.

Our Group's retail space in Roxy Square Shopping Centre is expected to continue to do well in 2009. Last year, occupancy rate continued to average over 90%.

We are pleased with our performance, notwithstanding the general economic slowdown. Going forward, whilst the outlook continues to be challenging, we believe with the strong pre-sale revenue as well as our healthy cashflow position, we should be in a good position to ride through the difficult times and to seek new opportunities when they arise.

Dividend

To reward our shareholders for their confidence and support, the Board of Directors proposes a final cash dividend of 0.75 cents per ordinary share.

Ackowledgements

On behalf of the Board, I wish to thank our Board members, management team and dedicated staff for their commitment and contribution in steering the company to greater heights. I would also like to thank our shareholders, customers and business associates for their commitment and support in helping our Group to achieve the good results for FY2008.

Teo Hong Lim
Executive Chairman and Chief Executive Officer

Board of Directors

Teo Hong Lim

our Executive Chairman and Chief Executive Officer and a Director since 20 May 1993 sets our Group's strategies and leads the overall management. Mr Teo graduated from the National University of Singapore with an honours degree in Accountancy. He worked for three years as assistant treasurer in DBS Bank Ltd before joining our Company.

Chris Teo Hong Yeow

joined our Group in 1993 and his main task was in the planning and facilities design of Grand Mercure. He has been an Executive Director since 4 January 1999 and was appointed as our Managing Director on 16 July 2001. Mr Teo is primarily responsible for all aspects of our Hotel Ownership business, including ongoing evaluation, investment and improvement of the hotel. Mr Teo graduated from the Michigan State University with a Bachelor of Arts (Hotel, Restaurant and Institutional Management) degree. Mr Teo has more than 20 years of experience in the hospitality industry. He previously held managerial appointments in international hotels in Asia, such as the Oriental Hotel in Singapore, the Amanpuri in Phuket, Thailand and the Amandari in Bali, Indonesia.

Teo Hong Hee

joined our Group in 1988 and has been an Executive Director since 30 August 1989. He currently heads our Property Investment arm. Apart from overseeing the management of our investment properties, his other areas of responsibility are in human resource management and administration for the Group. Mr Teo graduated from the University of Southern California with a Bachelor of Science (Business Administration) degree.

Michael Teo Hong Wee

has been our Executive Director since 14 November 1991 and has played, and continues to play, an important role in the architectural conceptualisation, design and planning of all of our development projects. In particular, he was heavily involved in the development of the second phase of Roxy Square and of our hotel, Grand Mercure, from their respective pre-construction stage to completion. Currently, he heads our Property Development arm and oversees the progress of all our development projects. Mr Teo graduated from the University of Southern California with a Bachelor of Architecture degree and had previously worked as a design architect trainee with Quek Associates.

Koh Seng Geok

joined our Group in February 2000 as the Financial Controller of Grand Mercure. He has been an Executive Director since 1 September 2001. He was also appointed as one of our Company Secretaries. Mr Koh is primarily responsible for the financial, banking and accounting aspects of our Group. He also oversees our Group's corporate secretarial and legal matters. Mr Koh graduated from the National University of Singapore with a Bachelor of Accountancy degree and he is a non-practising member of the Institute of Certified Public Accountants. He also holds a Masters in Business Administration from the University of Leicester. Prior to joining our Group, Mr Koh worked as an auditor in Deloitte And Touche and Haw Par Brothers International Limited, and held appointments as the finance manager of Goldtron Electronics Pte Ltd and Equant Integration Services Pte Ltd.

Winston Tan Tien Hin

has been a Non-executive Director of our Company since 14 December 2006. He is currently the Managing Director of Corporate Brokers International Pte. Ltd., a corporate investment and intermediary company in relation to funding, corporate contacts, mergers and acquisitions, mediation and brokering. Amongst others, his previous appointments include that as the General Manager of Deutsche Bank AG (Singapore Branch) and that as a Vice-President in Citibank N.A. Mr Tan graduated from the University of Singapore with a Bachelor of Science (Physics) degree.

Hew Koon Chan

was appointed as our Company's Lead Independent Director on 17 December 2007. He is currently the Managing Director of Integer Capital Pte Ltd, a company which is in the business of business advisory and consultancy services. Mr Hew's previous appointments include that as an investment director in Seavi Venture Services Pte Ltd which is a private equity firm. He was previously a process engineer in Texas Instruments Singapore (Pte) Ltd. Mr Hew graduated from the National University of Singapore with a Bachelor of Engineering (Mechanical) degree and he also holds a Certified Diploma in Accounting and Finance conferred by the Chartered Association of Certified Accountants.

Tay Kah Poh

was appointed as an Independent Director of our Company on 17 December 2007. He currently holds the position of the Senior Vice President of Pacific Star Holdings Pte. Ltd. Before joining the Pacific Star Group, Mr Tay held a 12-year long stint as an Executive Director, Consultancy and Research at Knight Frank Pte Ltd, Singapore. He was also a lecturer at the National University of Singapore's Real Estate Department. Prior to that, he was a valuer with DBS Land Limited (now known as CapitaLand Limited). Mr Tay holds a Master of Arts in Business Administration from the University of Georgia (Athens), United States of America and a Bachelor of Science (Honours) degree in Estate Management from the National University of Singapore. Currently, he serves as a member of the Strata Titles Board, a quasi-judicial body that mediates disputes between owners of strata properties.

Edmund Lee Yu Chiang

has been an Independent Director of our Company since 17 December 2007. He is currently the chairman and chief executive officer of DBS Vickers Securities (Singapore) Pte Ltd. Prior to this appointment, he was the president and chief executive officer of Vickers Ballas Holdings Pte Ltd (now known as DBS Vickers Securities Holdings Pte Ltd) from February 2001 to October 2001. Mr Lee was also the managing director of Vickers Ballas & Co. Pte Ltd from June 1999 to October 2001. Before joining the DBS group, Mr Lee was a corporate banking account manager with Algemene Bank Nederland NV, Singapore and a credit analyst with Banque Nationale de Paris, Singapore. Mr Lee graduated with a Bachelor of Arts in Economics from the University of California.

Corporate Information

Board Of Directors

Teo Hong Lim
Executive Chairman and Chief Executive Officer

Chris Teo Hong Yeow
Managing Director

Teo Hong Hee
Executive Director

Michael Teo Hong Wee
Executive Director

Koh Seng Geok
Executive Director

Winston Tan Tien Hin
Non-Executive Director

Hew Koon Chan
Lead Independent Director

Tay Kah Poh
Independent Director

Edmund Lee Yu Chiang
Independent Director

Company Secretaries

Foo Soon Soo
FCIS, FCPA (Singapore), FCPA (Australia),
LLB (Hons) (London)

Koh Seng Geok
CPA

Registered Office

50 East Coast Road
#03-11 Roxy Square Shopping Centre,
Singapore 428769

Company Registration Number

196700135Z

Share Registrar And Share Transfer Office

KCK CorpServe Pte. Ltd.
333 North Bridge Road
#08-00 KH KEA Building, Singapore 188721

Audit Committee

Hew Koon Chan (Chairman)
Tay Kah Poh
Winston Tan Tien Hin

Nominating Committee

Tay Kah Poh (Chairman)
Hew Koon Chan
Winston Tan Tien Hin

Remuneration Commitee

Edmund Lee Yu Chiang (Chairman)
Tay Kah Poh
Winston Tan Tien Hin

Auditors

Foo Kon Tan Grant Thornton
Certified Public Accountants
47 Hill Street #05-01
Singapore Chinese Chamber of Commerce &
Industry Building, Singapore 179365
(Partner-in-charge: Chin Sin Beng, CPA)

Bankers

DBS Bank Ltd
The Hong Kong & Shanghai Banking Corporation Limited
United Overseas Bank Limited
Standard Chartered Bank
Hong Leong Finance Limited
Oversea-Chinese Banking Corporation Limited

Financial Highlights

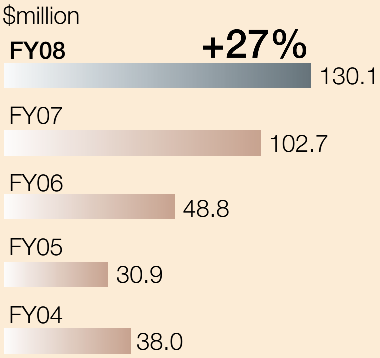
FY2008 Results

$million	FY2008	FY2007	% Change
Revenue	130.1	102.7	27%
Gross Profit	55.7	41.9	33%
Gross Margin (%)	42.8	40.8	2%
Pre-tax Profit			
- Before fair value gain / provision*	30.6	20.6	49%
- After fair value gain / provision*	30.4	23.9	27%
PAT	24.7	19.3	28%
EPS (cts)	4.04	3.79	7%

*includes allowance for foreseeable losses / impairment loss

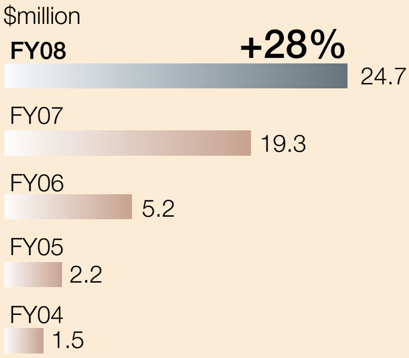
Turnover Trend

$million



Profit Trend

$million



Financial and Operations Review

Turnover Review

FY2008's 27% increase in Group revenue to $130.1 million was driven by strong performances from the Group's key segments of Property Development and Hotel Ownership and Property Investment.

Property Development: Revenue from the Group's Property Development segment recorded a 25% increase to $80.3 million in FY2008 from $64.2 million in FY2007. The increase in revenue from this segment was a result of the progressive recognition of revenue from the sales of the Group's six development projects in FY2008. The projects include The Treeline, The Montage, St. Patrick's Loft, Axis@Siglap, The Marque@ Irrawaddy and The Medley. The revenue from this segment contributed 62% of Group revenue in FY2008.

Hotel Ownership and Property Investment: Revenue from the Group's Hotel Ownership and Property Investment segment registered a 29% increase in revenue to $49.8 million in FY2008 from $38.5 million in FY2007. Whilst our hotel's Average Occupancy Rate ("AOR") declined from 92.5% in FY2007 to 87.9% in FY2008, our Average Room Rate ("ARR") improved by 29.7% from $154.4 in FY2007 to $200.3 in FY2008. As a result, revenue per available room ("RevPAR") increased 23.3% from $142.8 in FY2007 to $176.1 in FY2008. The revenue from this segment accounted for 38% of Group revenue in FY2008 .

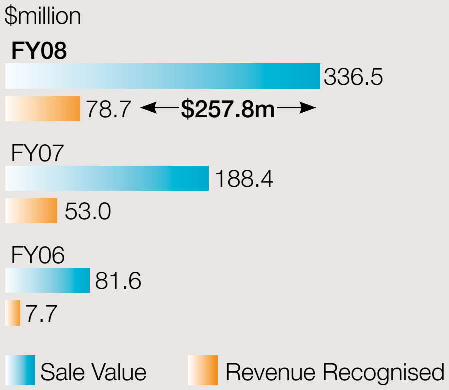
Gross Profit

Overall, our Group's gross profit increased by 33% to $55.7 million in FY2008 from $41.9 million in FY2007. The increase is in line with the higher revenue achieved. Gross profit margin improved from 41% in FY2007 to 43% in FY2008. The increase is due to higher gross profit margin of our Property Development segment as a result of recognition of more profitable development properties during the year. Gross profit margin in Property Development segment grew from 21% in FY2007 to 24% in FY2008 while the gross profit margin from Hotel Ownership and Property Investment remained stable at 73% in FY2008 and FY2007.

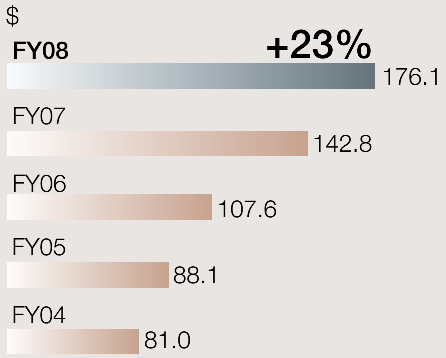
Segment Results

$ million	FY2008	FY2007	% Change
Revenue			
Property Development	**80.3**	64.2	25%
Hotel Ownership & Property Investment	**49.8**	38.5	29%
	130.1	102.7	27%
Gross Profit			
Property Development	**19.2**	13.6	41%
Hotel Ownership & Property Investment	**36.5**	28.3	29%
	55.7	41.9	33%
Gross Profit Margin			
Property Development	**24%**	21%	3%
Hotel Ownership & Property Investment	**73%**	73%	-
Total	**43%**	41%	2%

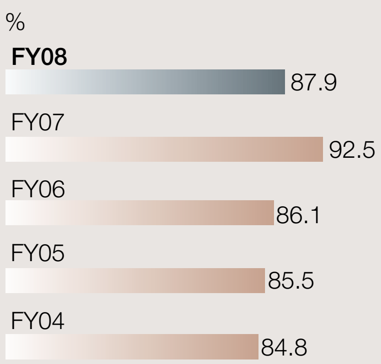
Strong Pre-Sale Revenue



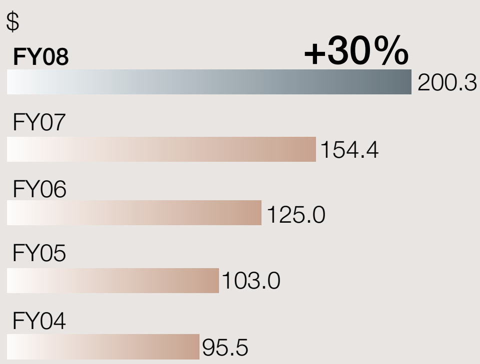
Increasing Room Yield (RevPAR)



High AOR



High ARR



PBT and NPAT

The Group's profit before tax increased 27% to $30.4 million as a result of higher contribution from its Property Development segment and improved operating performance of its hotel.

During the year, the Group had provided $2.1 million mainly for foreseeable losses relating to one of its development properties. The Group also recorded a lower fair value gain on investment properties of $1.8 million, as compared to $3.3 million gain in FY2007. Excluding the above-mentioned provision and fair value gain, our Group's pre-tax profit increased by $10.0 million or 49% from $20.6 million to $30.6 million.

In line with the improved Group revenue and higher profitability of the Group, overall expenses increased $3.8 million to $25.6 million mainly due to overall higher payroll costs; increase in depreciation charge; increased in operating expenses such as credit card commission, utilities costs, statutory and professional consultancy fees.

Overall, the Group's Net Profit After Tax rose 28% to $24.7 million, with Earnings per Share posting a rise from 3.79 to 4.04 cents per share.

Financial Contents

Statement of Corporate Governance

Roxy-Pacific Holdings Limited (the "Company") is committed to ensuring and maintaining a high standard of corporate governance within the Group. This report describes the corporate governance framework and practices of the Company with specific reference made to each of the principles of the Code of Corporate Governance (the "Code") issued by the Ministry of Finance. The Company will continue to improve its systems and corporate governance processes in compliance with the Code.

Board Matters

The Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

The Board of Directors (the "Board") comprises five Executive Directors, one Non-Executive Director and three Independent Directors having the appropriate mix of core competencies and diversity of experience to direct and lead the Company. As at the date of this report, the Board comprises the following members:

1. Mr Teo Hong Lim (Executive Chairman and CEO)
2. Mr Chris Teo Hong Yeow (Executive Director and Managing Director)
3. Mr Teo Hong Hee (Executive Director)
4. Mr Michael Teo Hong Wee (Executive Director)
5. Mr Koh Seng Geok (Executive Director)
6. Mr Winston Tan Tien Hin (Non-Executive Director)
7. Mr Hew Koon Chan (Lead Independent Director)
8. Mr Tay Kah Poh (Independent Director)
9. Mr Edmund Lee Yu Chiang (Independent Director)

The primary role of the Board is to protect and enhance long-term shareholders' value. It sets the corporate strategies of the Group, sets directions and goals for the Management. It supervises the Management and monitors performance of these goals to enhance shareholders' value. The Board is responsible for the overall corporate governance of the Group.

Regular meetings are held to deliberate the strategic policies of the Company including significant acquisitions and disposals, review and approve annual budgets, review the performance of the business and approve the public release of periodic financial results.

The Board has formed Board Committees namely the Audit Committee, the Nominating Committee and the Remuneration Committee to assist in carrying out and discharging its duties and responsibilities efficiently and effectively.

These Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of each Committee is also constantly reviewed by the Board.

The following table discloses the number of meetings held for Board and Board Committees and the attendance of all Directors for the financial year ended 31 December 2008: -

	Board	Audit Committee	Remuneration Committee	Nominating Committee
Number of meetings held	4	4	1	1
Teo Hong Lim	4	NA	NA	NA
Chris Teo Hong Yeow	4	NA	NA	NA
Teo Hong Hee	4	NA	NA	NA
Michael Teo Hong Wee	4	NA	NA	NA
Koh Seng Geok	4	NA	NA	NA
Winston Tan Tien Hin	4	4	1	1
Hew Koon Chan	4	4	NA	1
Tay Kah Poh	4	4	1	1
Edmund Lee Yu Chiang	4	NA	1	NA

While the Board considers Directors' attendance at Board meetings to be important, it should not be the only criterion to measure their contributions. It also takes into account the contributions by board members in other forms including periodical reviews, provision of guidance and advice on various matters relating to the Group.

Board Composition and Balance
Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board consists of nine Directors, three of whom are Independent Directors.

The criterion for independence is based on the definition given in the Code of Corporate Governance ("Code"). The Board considers an "Independent" Director as one who has no relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent judgment of the conduct of the Group's affairs.

The Board is of the view that the current Board members comprise persons whose diverse skills, experience and attributes provide for effective direction for the Group. The composition of the Board will be reviewed on an annual basis by the Nominating Committee to ensure that the Board has the appropriate mix of expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making.

Key information regarding the Directors is given in the 'Board of Directors' section of the annual report.

Particulars of interests of Directors who held office at the end of the financial year in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are set out in the Directors' Report on pages 21 and 22 of this annual report.

Chairman And Chief Executive Officer
Principle 3: There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

The Company has not adopted the recommendation of the Code to have separate appointments of Chairman and CEO as Mr Teo Hong Lim is the Executive Chairman and CEO of the Company. He has executive responsibilities for the Group's performance and also ensures the responsibilities as set out in the Code are properly discharged. In view of Mr Teo's concurrent appointment as the Executive Chairman and Chief Executive Officer, the Company has appointed Mr Hew Koon Chan as its Lead Independent Director pursuant to the recommendations in Commentary 3.3 of the Code.

As the Chairman, Mr Teo Hong Lim is primarily responsible for the overall management, strategic planning and business development of the Group.

In assuming his roles and responsibilities, Mr Teo consults with the Board, Audit, Nominating and Remuneration Committees on major issues, and the Board believes that there are adequate safeguards in place against having a concentration of power and authority in a single individual.

Board Membership
Principle 4: There should be a formal and transparent process for the appointment of new Directors to the Board.

The Nominating Committee ("NC") was constituted on 19 March 2008 and comprises 3 members, majority of whom including its Chairman are Independent Directors. The members of the NC are:

- Mr Tay Kah Poh (Chairman)
- Mr Hew Koon Chan
- Mr Winston Tan Tien Hin

The primary function of the NC is to determine the criteria for identifying candidates and reviewing nominations for the appointment of directors to the Board and also to decide how the Board's performance may be evaluated and to propose objective performance criteria for the Board's approval.

The NC functions under the terms of reference which sets out its responsibilities:

(a) To recommend to the Board on all board appointments, re-appointments and re-nominations;
(b) To ensure that Independent Directors meet SGX-ST's guidelines and criteria; and
(c) To assess the effectiveness of the Board as a whole and the effectiveness and contribution of each Director to the Board.

The Articles of Association of the Company require that one-third of the Board to retire from office at each Annual General Meeting ("AGM"). Accordingly, the Directors will submit themselves for re-nomination and re-election at regular intervals of at least once every three years.

Board Performance
Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

The NC examines the Board's size to satisfy that it is appropriate for effective decision making, taking into account the nature and scope of the Company's operations.

The NC has reviewed and evaluated the performance of the Board as a whole, taking into consideration the attendance record at the meetings of the Board and Board Committees and also the contribution of each Director to the effectiveness of the Board.

Access To Information
Principle 6: In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.

All Directors are from time to time furnished with information concerning the Company to enable them to be fully cognisant of the decisions and actions of the Company's executive management. The Board has unrestricted access to the Company's records and information.

Senior members of management staff are available to provide explanatory information in the form of briefings to the Directors or formal presentations in attendance at Board meetings, or by external consultants engaged on specific projects.

The Board has separate and independent access to the Company Secretaries and to other senior management executives of the Company and of the Group at all times in carrying out their duties. The Company Secretaries attend all Board meetings and meetings of the Committees of the Company and ensure that Board procedures are followed and that applicable rules and regulations are complied with. The minutes of all Board Committees' meetings are circulated to the Board.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their duties and responsibilities as Directors.

Remuneration Matters

Procedures for Developing Remuneration Policies
Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No director should be involved in deciding his own remuneration.

The Remuneration Committee ("RC") was constituted on 19 March 2008 and comprises 3 members, majority of whom including its Chairman are Independent Directors. The members of the RC are:

- Mr Edmund Lee Yu Chiang (Chairman)
- Mr Tay Kah Poh
- Mr Winston Tan Tien Hin

The RC recommends to the Board a framework of remuneration for the Directors and Executive Officers, and determines specific remuneration package for each Executive Director. The RC's recommendations will be submitted for endorsement by the Board.

All aspects of remuneration, including but not limited to Directors' fee, salaries, allowances, bonuses and benefits in kind, will be covered by the RC. Each RC member will abstain from voting on any resolution in respect of his remuneration package.

The RC functions under the terms of reference which sets out its responsibilities:

(a) To recommend to the Board a framework for remuneration for the Directors and key executives of the Company;
(b) To determine specific remuneration packages for each Executive Director; and
(c) To review the appropriateness of compensation for Non-Executive Directors.

The recommendations of the RC had been submitted to the Board for endorsement. The RC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company.

All aspects of remuneration, including but not limited to Directors' fee, salaries, allowances, bonuses, and benefits-in-kind shall be reviewed by the RC.

Level And Mix Of Remuneration
Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the Directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive Directors' remuneration should be structured so as to link rewards to corporate and individual performance.

In setting remuneration packages, the Remuneration Committee will take into consideration the pay and employment conditions within the industry and in comparable companies.

The remuneration of Non-Executive Directors is also reviewed to ensure that the remuneration is commensurate with the contribution and responsibilities of the Directors.

The Company will submit the quantum of Directors' fee of each year to the shareholders for approval at each AGM.

All the Executive Directors have service agreements with the Company. The service agreements for each Executive Director are effective for a period of three years from 1 April 2008, and cover the terms of employment, specifically salaries and bonuses. The Non-Executive Director has no service contract.

Disclosure on Remuneration
Principle 9: Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key executives, and performance.

The details of the remuneration of Directors of the Group disclosed in bands for services rendered during the financial year ended 31 December 2008 are as follows:

	Number of Directors	
	2008	2007
$500,000 and above	5	4
$250,000 to $499,999	-	1
Below $250,000	4	4
Total	9	9

The summary compensation table for the Directors and top five key executives of the Group for the financial year ended 31 December 2008 is set out below:

Directors	Salary %	Bonus %	Directors' Fee %	Allowances and Other Benefits %	Total Compensation %
$500,000 and above					
Teo Hong Lim Executive Chairman and CEO	20	77	-	3	100
Chris Teo Hong Yeow Executive Director and Managing Director	19	78	-	3	100
Michael Teo Hong Wee Executive Director	21	76	-	3	100
Koh Seng Geok Executive Director	19	78	-	3	100
Teo Hong Hee Executive Director	25	70	-	5	100
Up to $250,000					
Winston Tan Tien Hin Non-Executive Director	-	-	100	-	100
Hew Koon Chan Lead Independent Director	-	-	100	-	100
Tay Kah Poh Independent Director	-	-	100	-	100
Edmund Lee Yu Chiang Independent Director	-	-	100	-	100

Key Executives Of The Group	Salary %	Bonus %	Directors' Fee %	Allowances and Other Benefits %	Total Compensation %
$250,000 to $499,999					
Kevin Bossino General Manager, Hotel	42	18	-	40	100
Up to $250,000					
Melvin Poon Tuck Meng Finance and Administration Director, Hotel	67	25	-	8	100
Steve Foo Yong Kit Director, Projects	60	25	-	15	100
Shermin Chan Poh Choo Group Finance Manager	59	27	-	14	100
Jean Ong Hong Koh Senior Property Executive	65	22	-	13	100

For the financial year ending 31 December 2008, the aggregate remuneration (including CPF contributions thereon and benefits) of employees who are related to our Directors is $272,319.

These employees are Teo Kok Leong, Teo Kok Thye, Lim Tsoh Liat, Loh Kwang Chew, Cheong Kwai Fun and Phua Lay Leng. Teo Kok Leong is the father of four of our Executive Directors, namely Teo Hong Lim, Chris Teo Hong Yeow, Michael Teo Hong Wee and Teo Hong Hee. Teo Kok Thye, Lim Tsoh Liat and Loh Kwang Chew are uncles to Teo Hong Lim, Chris Teo Hong Yeow, Michael Teo Hong Wee and Teo Hong Hee. Cheong Kwai Fun and Phua Lay Leng are both cousins to Teo Hong Lim, Chris Teo Hong Yeow, Michael Teo Hong Wee and Teo Hong Hee.

Other than disclosed above, no employee of the Company and its subsidiaries was an immediate family member of a Director and/or a Substantial Shareholder whose remuneration exceeded $150,000 during the financial year ended 31 December 2008.

Accountability And Audit

Accountability
Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is accountable to the shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to shareholders in compliance with statutory requirements and the Listing Manual of the SGX-ST.

Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports will be announced or issued within legally prescribed periods.

Audit Committee
Principle 11: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Audit Committee ("AC") was constituted on 19 March 2008 and comprises 3 members. Save for Mr Winston Tan Tien Hin, the other AC members including its Chairman are Independent Directors. The AC comprises the following members:

- Mr Hew Koon Chan (Chairman)
- Mr Tay Kah Poh
- Mr Winston Tan Tien Hin

Mr Winston Tan Tien Hin, a non-Executive Director, is a shareholder and director of Corporate Brokers International Pte. Ltd, a company which has been providing corporate assistance to our Group since October 1998 on a retainer basis. Mr Tan is deemed not an Independent Director by virtue of the definition of Corporate Governance 2005 ("CCG"). It is, however, noted that the AC's composition of members is in compliance with Guideline 11.1 of the CCG.

The AC functions under the terms of reference which sets out its responsibilities as follows:

(a) To review the financial statements of the Company and the Group before submission to the Board;
(b) To review the audit plans of the Company with the external auditors and the external auditors' reports;
(c) To review the internal controls and procedures (including adequacy of the finance functions and the quality of finance staff) and co-operation given by the Company's management to the external auditors;
(d) To review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations;
(e) To make recommendations to our Board on the appointment, re-appointment and removal of the external auditor;
(f) To review interested person transactions and potential conflicts of interest;
(g) To undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising;
(h) To generally undertake such other functions and duties as may be required by the statute, regulations or the Listing Manual, or by such amendments as may be made thereto from time to time; and
(i) To review arrangements by which the staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting.

The AC has the power to conduct or authorise investigations into any matters within the AC's scope of responsibility. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company. Each member of the AC shall abstain from voting any resolutions in respect of matters he is interested in.

The AC has full access to and co-operation of the Management and has full discretion to invite any Director or Executive officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

The AC meets with both the external and internal auditors without the presence of the Management at least once a year.

The AC reviews the independence of the external auditors annually. The AC, having reviewed the range and value of non-audit services performed by the external auditors, Foo Kon Tan Grant Thornton was satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC recommended that Foo Kon Tan Grant Thornton be nominated for re-appointment as auditors at the forthcoming AGM.

The Company has in place a whistle-blowing framework where staff of the Company can access the Audit Committee Chairman to raise concerns about improprieties.

Internal Controls and Risk Management
Principle 12: The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

The Audit Committee will ensure that a review of the effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management, is conducted annually. In this respect, the Audit Committee will review the audit plans, and the findings of the auditors and will ensure that the Company follows up on the auditors' recommendations raised, if any, during the audit process.

The Group has in place a system of internal control and risk management for ensuring proper accounting records and reliable financial information as well as management of business risks with a view to safeguarding shareholders' investments and the Company's assets.

Internal Audit
Principle 13: The Company should establish an internal audit function that is independent of the activities it audits.

The Company has engaged Baker Tilly Consultancy (S) Pte Ltd as its internal auditors. The internal auditors reports directly to the Chairman of the Audit Committee on all internal audit matters.

The primary functions of internal audit are to help:-

(a) assess if adequate systems of internal controls are in place to protect the assets of the Group and to ensure control procedures are complied with;
(b) assess if operations of the business processes under review are conducted efficiently and effectively; and
(c) identify and recommend improvement to internal control procedures, where required.

The Audit Committee has reviewed the Company's internal control assessment and based on the internal auditors' and external auditors' reports and the internal controls in place, it is satisfied that there are adequate internal controls in the Company.

Communication With Shareholders

Communication with Shareholders
Principle 14: Companies should engage in regular, effective and fair communication with shareholders.

Principle 15: Companies should encourage greater shareholder participation at AGM's and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

In line with continuous obligations of the Company pursuant to the SGX-ST's Listing Rules, the Board's policy is that all shareholders be informed of all major developments that impact the Group.

Information is disseminated to shareholders on a timely basis through:

(a) SGXNET announcements and news release;
(b) Annual Report prepared and issued to all shareholders;
(c) Press releases on major developments of the Group; and
(d) Notices of and explanatory memoranda for AGM and extraordinary general meetings ("EGM.").

The Company's AGMs are the principal forums for dialogue with shareholders. The Chairmen of the Audit, Remuneration and Nominating Committees are normally available at the AGMs to answer any questions relating to the work of these Committees. The external auditors shall also be present to assist the Directors in addressing any relevant queries by the shareholders.

Shareholders are encouraged to attend the AGMs/EGMs to ensure a high level of accountability and to stay apprised of the Group's strategy and goals. Notice of the meeting will be advertised in newspapers and announced on SGXNET.

Dealing In Securities

The Company has issued an Internal Compliance Code (the "Code") to all employees of the Group setting out the implications of insider trading.

Under this Code, Directors and Key Executive Officers of the Group are prohibited in dealing in the Company's securities two weeks prior to the announcement of the Company's quarterly results or one month prior to the announcement of the Company's half-yearly and full year results to the SGX-ST, as the case may be, and ending on the date of the announcement of the results. All employees of the Group are reminded that any employee who is in possession of unpublished price-sensitive information at any time should not deal in the Company's securities. The open window period does not provide a safe harbour from insider trading laws. The law on insider trading applies at all times.

Interested Person Transactions

Disclosure of Interested Person Transactions is set out on pages 59 and 60 of this Annual Report. When a potential conflict of interest arises, the Director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

As a listed company on the Singapore Exchange, the Company is required to comply with Chapter 9 of the Singapore Exchange Listing Manual on interested person transactions. To ensure compliance with Chapter 9, the Company has taken the following steps:

- The Board meets quarterly to review if the Company will be entering into any interested person transaction. If the Company is intending to enter into an interested person transaction, the Board of Directors will ensure that the Company complies with the requisite rules under Chapter 9.

- The Audit Committee also meets once every three months to review if the Company will be entering into an interested person transaction, and if so, the Audit Committee ensures that the relevant rules under Chapter 9 are complied with.

Material Contracts

There were no material contracts entered into by the Company or any of its subsidiary companies involving the interest of the Chief Executive Officer, any Director, or controlling shareholder.

Use of IPO Proceeds

The Company will make periodic announcements on the use of the IPO proceeds as and when the funds from the IPO are materially disbursed. A status report on the use of the IPO proceeds can be found on page 63.

The directors submit this annual report to the members together with the audited consolidated financial statements of the Group and balance sheet of the Company for the financial year ended 31 December 2008.

Names of directors

The directors in office at the date of this report are:

Teo Hong Lim	(Executive Chairman and Chief Executive Officer)
Chris Teo Hong Yeow	(Managing Director)
Teo Hong Hee	(Executive Director)
Michael Teo Hong Wee	(Executive Director)
Koh Seng Geok	(Executive Director)
Winston Tan Tien Hin	(Non-Executive Director)
Hew Koon Chan	(Lead Independent Director)
Tay Kah Poh	(Independent Director)
Edmund Lee Yu Chiang	(Independent Director)

Arrangements to acquire shares or debentures

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement the object of which was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other corporate body other than as disclosed in this report.

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50, the following directors who held office at the end of the financial year were interested in shares of the Company and its related corporations as follows:

	Number of ordinary shares				
	Holdings registered in the name of director or nominees			Holdings in which director is deemed to have an interest	
	As at 1.1.2008	As at 31.12.2008	As at 21.1.2009	As at 1.1.2008	As at 31.12.2008 and 21.1.2009
The Company - Roxy-Pacific Holdings Limited					
Teo Hong Lim	59,280,000	**59,480,000**	**59,480,000**	300,930,000	**296,952,000**
Chris Teo Hong Yeow	15,210,000	**15,260,000**	**15,260,000**	-	**-**
Teo Hong Hee	14,730,000	**14,780,000**	**14,780,000**	-	**-**
Michael Teo Hong Wee	15,740,000	**16,314,000**	**16,314,000**	-	**90,000**
Koh Seng Geok	3,590,000	**4,038,000**	**4,038,000**	-	**-**
Winston Tan Tien Hin	-	**-**	**-**	9,520,000	**12,732,000**
Hew Koon Chan	-	**200,000**	**200,000**	-	**-**
Tay Kah Poh	-	**250,000**	**350,000**	-	**-**
Edmund Lee Yu Chiang	-	**200,000**	**200,000**	-	**-**

Directors' interest in shares or debentures (cont'd)

	Number of ordinary shares			
	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
	As at 1.1.2008	As at 31.12.2008 and 21.1.2009	As at 1.1.2008	As at 31.12.2008 and 21.1.2009
The holding company -				
Kian Lam Investment Pte Ltd				
Teo Hong Lim	6,101	**6,101**	-	**-**
Chris Teo Hong Yeow	3,101	**3,101**	-	**-**
Teo Hong Hee	3,101	**3,101**	-	**-**
Michael Teo Hong Wee	3,101	**3,101**	-	**-**
Related company -				
Sen Lee Development Pte Ltd				
Teo Hong Lim	3,390	**3,390**	182,000	**182,000**
Chris Teo Hong Yeow	3,390	**3,390**	-	**-**
Teo Hong Hee	3,390	**3,390**	-	**-**
Michael Teo Hong Wee	3,390	**3,390**	-	**-**

Mr Teo Hong Lim, by virtue of the provisions of Section 7 of the Companies Act, Cap.50, is deemed to be interested in the whole of the issued share capital of all the wholly-owned subsidiaries of Roxy-Pacific Holdings Limited.

Mr Winston Tan Tien Hin is deemed to be interested in the shares held by Winmark Investments Pte Ltd, a company wholly-owned by Mr Winston Tan Tien Hin and his wife.

There are no changes to the above shareholdings between the end of the financial year and 21 January 2009 other than as disclosed above.

Directors' benefits

Since the end of the previous financial year, no director has received or has become entitled to receive a benefit under a contract which is required to be disclosed under Section 201(8) of the Companies Act, Cap. 50 other than as disclosed in the financial statements.

Share options

a) **Options to take up unissued shares**
No options were granted during the financial year to take up unissued shares of the Company or of its subsidiaries.

b) **Options exercised**
No shares were issued during the financial year to which this report relates by virtue of the exercise of options to take up unissued shares of the Company or any subsidiaries.

c) **Unissued shares under option**
There were no unissued shares of the Company and of the subsidiaries under option at the end of the financial year.

Audit Committee

The Audit Committee comprises the following members:

Hew Koon Chan (Chairman)
Tay Kah Poh
Winston Tan Tien Hin

The Audit Committee performs the functions set out in Section 201B(5) of the Companies Act, Cap. 50, the SGX Listing Manual and The Code of Corporate Governance. In performing its functions, the Audit Committee reviewed the following:

(i) overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;

(ii) the quarterly financial information and the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2008 as well as the auditors' report thereon; and

(iii) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to The Board of Directors that the auditors, Foo Kon Tan Grant Thornton, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

Auditors

The auditors, Foo Kon Tan Grant Thornton, Certified Public Accountants, have expressed their willingness to accept appointment.

On behalf of the Directors

....
TEO HONG LIM

....
KOH SENG GEOK
16 March 2009

Statement by Directors

ROXY-PACIFIC HOLDINGS LIMITED

Financial Year Ended 31 December 2008

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the Act) and Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In the opinion of the directors, the accompanying balance sheets, consolidated income statement, consolidated statement of changes in equity and the cash flow statement, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and of the results of the business, changes in equity and the cash flows of the Group for the financial year ended on that date and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors

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TEO HONG LIM

....

KOH SENG GEOK

16 March 2009

Independent Auditor's Report

To the members of Roxy-Pacific Holdings Limited

ROXY-PACIFIC HOLDINGS LIMITED

Financial Year Ended 31 December 2008

We have audited the accompanying financial statements of Roxy-Pacific Holdings Limited ("the Company") and its subsidiaries ("the Group"), which comprise the balance sheets of the Group and of the Company as at 31 December 2008, the income statement, statement of changes in equity and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Managements' responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 ("the Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion:

(a) the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and the results, changes in equity and the cash flows of the Group for the financial year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in the Republic of Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Foo Kon Tan Grant Thornton
Public Accountants and Certified Public Accountants
Singapore, 16 March 2009

Balance Sheets

ROXY-PACIFIC HOLDINGS LIMITED

Financial Year Ended 31 December 2008

	Note	The Group 31 December 2008 $'000	The Group 31 December 2007 $'000	The Company 31 December 2008 $'000	The Company 31 December 2007 $'000
Assets					
Non-Current					
Intangible assets	4	**1,672**	2,040	**-**	-
Property, plant and equipment	5	**65,958**	65,597	**-**	-
Subsidiaries	6	**-**	-	**36,443**	35,443
Investment properties	7	**32,428**	30,640	**-**	-
		100,058	98,277	**36,443**	35,443
Current					
Properties for sale under development	8	**186,106**	162,836	**-**	-
Inventories	9	**133**	132	**-**	-
Trade receivables	10	**11,164**	12,126	**19**	10
Other receivables	11	**997**	1,549	**13,813**	623
Project accounts	12	**61,759**	23,732	**-**	-
Fixed deposits	13	**39,859**	5,670	**23,270**	-
Cash and bank balances		**10,130**	4,311	**262**	142
		310,148	210,356	**37,364**	775
Total assets		**410,206**	308,633	**73,807**	36,218
Equity					
Capital and Reserves					
Share capital	14	**47,399**	11,114	**47,399**	11,114
Retained profits		**62,884**	44,559	**23,047**	22,606
Total equity		**110,283**	55,673	**70,446**	33,720
Liabilities					
Non-Current					
Bank borrowings (secured)	15	**181,527**	155,397	**-**	-
Deferred income taxes	16	**10,665**	8,373	**-**	-
		192,192	163,770	**-**	-
Current					
Trade payables	17	**4,793**	4,833	**12**	-
Other payables	18	**14,666**	11,283	**3,250**	44
Amount owing to subsidiaries	6	**-**	-	**-**	2,454
Provision for taxation	19	**3,088**	-	**99**	-
Bank borrowings (secured)	15	**85,184**	73,074	**-**	-
		107,731	89,190	**3,361**	2,498
Total equity and liabilities		**410,206**	308,633	**73,807**	36,218

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Income Statement

ROXY-PACIFIC HOLDINGS LIMITED

Financial Year Ended 31 December 2008

	Note	Year ended 31 December 2008 $'000	Year ended 31 December 2007 $'000
Revenue	3	**130,065**	102,707
Cost of sales		**(74,369)**	(60,763)
Gross profit		**55,696**	41,944
Other operating income	21	**539**	445
Distribution costs		**(1,712)**	(1,476)
Administrative expenses		**(8,201)**	(6,595)
Other operating expenses		**(11,444)**	(9,354)
Finance cost	22	**(4,233)**	(4,354)
Fair value gain on investment properties		**1,788**	3,330
Allowance for foreseeable losses on properties for sale under development	8	**(1,700)**	-
Impairment loss on intangible assets	4	**(368)**	-
Profit before taxation	23	**30,365**	23,940
Taxation	24	**(5,674)**	(4,649)
Profit for the year attributable to shareholders of the Company		**24,691**	19,291
Earnings per share - Basic/Diluted (cents)	25	**4.04**	3.79

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Changes in Equity

ROXY-PACIFIC HOLDINGS LIMITED

Financial Year Ended 31 December 2008

	Share capital $'000	Retained profits $'000	Total attributable to the equity holders of the parent $'000	Minority interests $'000	Total equity $'000
Balance at 1 January 2007	8,600	25,268	33,868	2,514	36,382
Net profit for the year	-	19,291	19,291	-	19,291
Total recognised income for the year	-	19,291	19,291	-	19,291
Acquisition of additional interests in a subsidiary company	-	-	-	(2,514)	(2,514)
Issue of shares pursuant to acquisition of additional Interests in a subsidiary	590	-	590	-	590
Adjustment to consideration for the interests in a subsidiary	1,924	-	1,924	-	1,924
Balance at 31 December 2007	11,114	44,559	55,673	-	55,673
Balance at 1 January 2008	**11,114**	**44,559**	**55,673**	**-**	**55,673**
Net profit for the year	**-**	**24,691**	**24,691**	**-**	**24,691**
Total recognised income for the year	**-**	**24,691**	**24,691**	**-**	**24,691**
Issue of new shares (Initial Public Offering)	**38,400**	**-**	**38,400**	**-**	**38,400**
Share issue expenses	**(2,115)**	**-**	**(2,115)**	**-**	**(2,115)**
Dividend paid	**-**	**(6,366)**	**(6,366)**	**-**	**(6,366)**
Balance at 31 December 2008	**47,399**	**62,884**	**110,283**	**-**	**110,283**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Cash Flow Statement

ROXY-PACIFIC HOLDINGS LIMITED

Financial Year Ended 31 December 2008

	Note	Year ended 31 December 2008 $'000	Year ended 31 December 2007 $'000
Cash Flows from Operating Activities			
Profit before taxation		**30,365**	23,940
Adjustments for:			
Depreciation of property, plant and equipment	5	**1,896**	1,625
Impairment loss on intangible assets	4	**368**	-
Interest income		**(356)**	(317)
Interest expense		**4,132**	4,274
Fair value gain on investment properties	7	**(1,788)**	(3,330)
Gain on disposal of quoted equity investment		**-**	(74)
Loss on disposal of property, plant and equipment		**6**	31
Loss on revaluation of quoted equity investment		**-**	24
Allowance for foreseeable losses on properties for sale under development	8	**1,700**	-
Operating profit before working capital changes		**36,323**	26,173
(Increase)/decrease in inventories		**(2)**	25
Decrease/(increase) in operating receivables		**1,515**	(8,469)
Increase in operating payables		**4,119**	9,298
Increase in properties for sale under development		**(24,970)**	(74,022)
Cash generated from/(used in) operations		**16,985**	(46,995)
Interest paid		**(4,132)**	(4,274)
Income tax (paid)/refunded		**(294)**	4
Net cash generated from/(used in) operating activities		**12,559**	(51,265)
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	5	**(3,038)**	(2,028)
Interest received		**356**	317
Proceeds from sale of quoted equity investment		**-**	333
Net cash used in investing activities		**(2,682)**	(1,378)
Cash Flows from Financing Activities			
Proceeds from borrowings, net		**38,239**	69,101
Fixed deposits pledged to financial institutions		**(661)**	-
Dividends paid		**(6,366)**	-
Proceeds from Initial Public Offering, net		**36,285**	-
Net cash generated from financing activities		**67,497**	69,101
Net increase in cash and cash equivalents		**77,374**	16,458
Cash and cash equivalents at beginning of year		**33,713**	17,255
Cash and cash equivalents at end of year		**111,087**	33,713
Analysis of cash and cash equivalents			
Project accounts (Note 12)		**61,759**	23,732
Fixed deposits (Note 13)		**39,859**	5,670
Cash and bank balances		**10,130**	4,311
Less: Fixed deposits pledged to financial institutions		**(661)**	-
		111,087	33,713

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

1 General information

The Company (Registration Number 196700135Z) is incorporated and domiciled in the Republic of Singapore. The registered office is located at 50 East Coast Road #03-11, Roxy Square Shopping Centre, Singapore 428769.

The Company was listed on the Singapore Exchange Securities Trading Limited on 12 March 2008. The financial statements are presented in Singapore dollars, which is also the functional currency of the Company and its subsidiaries.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

The financial statements of the Group and of the Company for the year ended 31 December 2008 were authorised for issue in accordance with a resolution of the directors on the date of the Statement By Directors.

The holding company is Kian Lam Investment Pte Ltd which is domiciled in Singapore.

2(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

Significant accounting estimates and judgements
The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below:

Critical judgments in applying accounting policies

Profit from properties for sale under development
The Group recognises revenue from properties for sale under development based on the percentage of completion method. The stage of completion is measured by reference to the development costs incurred to date, certified by the architects or quantity surveyors, to the estimated total development costs for the property. Significant judgement is required in determining the estimated total development costs which includes an estimation of the variation works from the main contractor. The group estimates the total project costs based on contracts awarded, if any, and the experience of qualified project managers.

Carrying value of properties for sale under development
Significant judgement is also required in assessing the recoverability of the carrying value of properties for sale under development. Analysis has been carried out based on assumptions regarding the selling price and costs of residential properties. Significant judgement is required in determining total costs of properties, including construction costs and variation orders. The Group estimates total construction costs based on contracts awarded and the experience of qualified project managers. Barring unforeseen circumstances, the carrying amount of the properties for sale under development as reflected in the balance sheet will be recoverable. The Group will closely monitor the property price index and market sentiment, and adjustments will be made if future market activity indicates that such adjustments are appropriate.

2(a) Basis of preparation (cont'd)

Critical judgments in applying accounting policies (cont'd)

Significant judgement is also required to assess allowance made for foreseeable losses, if any, where the total estimated development costs exceeds estimated selling price.

Impairment tests for cash-generating units containing goodwill
Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to business segments as follows:

The Group	2008 $'000	2007 $'000
Hotel Ownership and Property Investment	1,672	1,672
Property Development	-	368
Total	1,672	2,040

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a one-year period and assume a zero growth rate for the second and third year. Cash flows beyond the third year are extrapolated using the estimate rates stated below:

	Hotel Ownership and Property Investment
Growth Rate	5%
Discount Rate	12.5%

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. The hotel properties and investment properties are situated on freehold land.

Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

These assumptions have been used for the analysis of each CGU. Management determined the budgeted gross margin based on past performance and its expectation for market development. The weighted average growth rates used are consistent with industry reports. The discount rates used are pre-tax and reflect specific risks relating to the business segments.

Critical assumptions used and the accounting estimates in applying accounting policies

Impairment of investment in subsidiaries
Determining whether investment in subsidiaries is impaired requires an estimation of the value-in-use of that investment. The value-in-use calculation requires the Group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the recoverability of the investment based on such estimates.

2(a) Basis of preparation (cont'd)

Critical assumptions used and the accounting estimates in applying accounting policies (cont'd)

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of property, plant and equipment to be within 3 to 50 years. The carrying amount of the Group's property, plant and equipment as at 31 December 2008 is $65,958,025. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Income tax

Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Allowance for bad and doubtful debts

Allowances for bad and doubtful debts are based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact carrying value of trade and other receivables and doubtful debt expenses in the period in which such estimate has been changed.

2(b) New accounting standards and interpretations

i) Interpretations and amendments to published standards effective in 2008 are as follows:

INT FRS 111	FRS 102 – Group and Treasury Share Transactions
INT FRS 112	Service Concession Arrangements
INT FRS 114	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

All the above new INT FRS, effective on or after 1 January 2008 are not relevant to the Group.

ii) At the date of authorisation of these financial statements, the following FRS and INT FRS relevant to the Group were issued but not yet effective:

FRS 1 (Revised 2008)	Presentation of Financial Statements (effective from 1 January 2009)
FRS 23 (Revised)	Borrowing Costs (effective from 1 January 2009)
Amendments to FRS 27	Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate (effective from 1 January 2009)
FRS 108	Operating Segments (effective from 1 January 2009)
Improvements to FRSs 2008	

The directors do not anticipate that the adoption of other FRS and INT FRS in future periods will have a material impact on the consolidated financial statements of the Group.

2(c) Summary of significant accounting policies

Consolidation
The financial statements of the Group include the financial statements of the Company and its subsidiaries made up to the end of the financial year. Information on its subsidiaries is given in Note 6.

All inter-company balances and significant inter-company transactions and resulting unrealised profits or losses are eliminated on consolidation and the consolidated financial statements reflect external transactions and balances only. The results of subsidiaries acquired or disposed of during the financial year are included or excluded from the consolidated income statement from the effective date in which control is transferred to the Group or in which control ceases, respectively.

Acquisitions of subsidiaries are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

Any excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. The goodwill is accounted for in accordance with the accounting policy for goodwill stated below.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised in the profit and loss account on the date of acquisition.

Any accounting policies of a subsidiary do not conform with those of the Company, adjustments are made on consolidation when the amounts involved are considered significant to the Group.

Property, plant and equipment and depreciation

(a) Measurement

(i) Property, plant and equipment
All property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

(ii) Component of costs
The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

(b) Depreciation
Freehold land is not depreciated.

Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Buildings	50 years
Other assets	3 to 10 years

The residual values, depreciation methods and useful lives of property, plant and equipment are reviewed and adjusted as appropriate at each balance sheet date.

2(c) Summary of significant accounting policies (cont'd)

Property, plant and equipment and depreciation (cont'd)

(c) **Subsequent expenditure**
Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before that expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

(d) **Acquisition and disposal**
For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

Intangible assets
Intangible assets are accounted for using the cost model with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives as they are considered finite. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to impairment testing.

Intangible assets are written off where, in the opinion of the directors, no further future economic benefits are expected to arise.

Goodwill
Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Investment properties
Investment properties, principally comprising shop units, are held for long-term rental yields and are not occupied by the Group for administrative or other purposes. Investment properties are treated as non-current investments and are initially recognised at cost and subsequently carried at fair value, representing open market value determined on annual basis by an independent professional valuer. Changes in fair values are recognised in the income statement.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to the income statement. The cost of maintenance, repairs and minor improvement is charged to the income statement when incurred.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

Inventories
Inventories are carried at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis and includes freight and handling charges. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Provision is made where necessary for slow-moving stocks.

2(c) Summary of significant accounting policies (cont'd)

Financial assets
Financial assets can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date - the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each balance sheet date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

The Group does not hold any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in income statement. Any reversal shall not result in a carrying amount that exceeds what the amortised cost would have been had any impairment loss not been recognised at the date the impairment is reversed. Any reversal is recognised in the income statement.

Receivables are provided against when objective evidence is received that the company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Loans and receivables are included in trade and other receivables in the balance sheet.

Determination of fair value
The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models. Where fair value of unquoted instruments cannot be measured reliably, fair value is determined by the transaction price.

The carrying amount of current receivables and payables are assumed to approximate their fair values.

2(c) Summary of significant accounting policies (cont'd)

Properties for sale under development
Properties for sale under development are recorded as current assets and are stated at specifically identified cost, including capitalised borrowing costs directly attributable to the development of the properties, aggregate cost of development, materials and supplies, wages and other direct expenses, less any allowance considered necessary by the directors.

Properties for sale under development are stated at the lower of cost plus, where appropriate, a portion of attributable profit, and their estimated net realisable value, net of progress billings. Net realisable value is the estimated selling price less costs to be incurred in selling the properties.

Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. Capitalisation of borrowing costs ceases on issue of Temporary Occupation Permit. The capitalisation rate is determined by reference to the actual rate payable on borrowings for development property, weighted as applicable.

Sold development properties
Revenue and cost on properties for sale under development that have been sold are recognised using the percentage of completion method. The stage of completion is measured by reference to the development costs incurred to date, certified by the architects or quantity surveyors, to the estimated total development costs for the property. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately. The aggregated costs incurred and the profit/(loss) recognised in each development property that has been sold are compared against progress billings up to the financial year end.

Subsidiaries
For consolidation purposes, a subsidiary is an entity controlled by The Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether there is control.

Shares in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of minority interest.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and bank deposits.

For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of cash management.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2(c) Summary of significant accounting policies (cont'd)

Dividends
Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profit, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognized as a liability.

Interim dividends are simultaneously proposed and declared, because of the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognized directly as a liability when they are proposed and declared.

Financial liabilities
The Company's financial liabilities include borrowings, bank loans and overdraft, trade and other payables. They are included in balance sheet items "non-current liabilities", "current liabilities" and "trade and other payables".

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument. All interest related charges is recognised as an expense in "finance cost" in the income statement. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the income statement over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of borrowing using the effective interest method.

Gains and losses are recognised in the profit and loss account when the liabilities are derecognised as well as through the amortisation process.

Borrowings which are due to be settled within twelve months after the balance sheet are included in current borrowings in the balance sheet even though the original terms was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the balance sheet date. Borrowings to be settled within the group's normal operating cycle are considered as current. Other borrowings due to be settled more than twelve months after the balance sheet date are included in non-current borrowings in the balance sheet.

Trade payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Financial guarantees
The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised at their fair value plus transaction costs.

Financial guarantee contracts are subsequently amortised to the income statement over the period of the subsidiaries' borrowings, unless the Company has incurred an obligation to reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the bank.

2(c) Summary of significant accounting policies (cont'd)

Operating leases

Where the Group is a lessor

Assets leased out under operating leases are included in investment properties and are stated at fair value and not depreciated. Rental income (net of any incentives given to lessee) is recognised on a straight-line basis over the lease term.

Where the Group is a lessee

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease payments made.

Revenue recognition
Revenue of the Group comprises the fair value of the consideration received or receivable for the rendering of services, net of goods and services tax, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

(a) Rendering of services
Revenue from the rendering of services for hotel operations is recognised over the period in which the services are rendered.

(b) Interest income
Interest income is recognised on a time apportioned basis using the effective interest method.

(c) Dividend income
Dividend income is recognised when the right to receive payment is established.

(d) Rental income
Rental income from operating leases on investment properties is recognised on a straight-line basis over the lease term.

(e) Revenue from properties for sale under development
Revenue is recognized on the percentage of completion method for all projects on units sold.

The Group recognises revenue from properties for sale under development based on the percentage of completion method. Had income from properties for sale under development been recognised using the completion of construction method, the effect on the current year financial statements are as follows:

		Decrease $'000
i)	Retained profits as at 1.1.2008	11,503
ii)	Revenue	25,736
iii)	Profit for the year	9,547
iv)	Properties for sale under development as at 1.1.2008	11,913
v)	Properties for sale under development as at 31.12.2008	21,460

2(c) Summary of significant accounting policies (cont'd)

Income taxes
The liability method of tax effect accounting is adopted by the Company and the Group. Current taxation is provided at the current taxation rate based on the tax payable on the income for the financial year that is chargeable to tax. Deferred taxation is provided at the current taxation rate on all temporary differences existing at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences (unless the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss).

Deferred income tax is provided on all temporary differences arising on investment in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised (unless the deferred tax asset arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss).

The statutory tax rates enacted at the balance sheet date are used to determine deferred income tax.

Impairment of non-financial assets
The carrying amounts of non-financial assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually or more often if there are indicators of impairment. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to equity.

2(c) Summary of significant accounting policies (cont'd)

Impairment of non-financial assets (cont'd)

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

An impairment loss in respect of goodwill is not reversed, even if it relates to an impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or balance sheet date.

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

The directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

Functional currencies

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). The consolidated financial statements of the Group and the balance sheet of the Company are presented in Singapore dollars to the nearest thousand, which is also the functional currency of the Company.

Foreign currency translation

<u>Monetary items</u>

Foreign currency monetary items are translated into the functional currency at rates of exchange closely approximating those ruling at balance sheet date. Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Except for the situation described below, exchange differences arising from such transactions are recorded in the income statement in the period in which they arise.

Where a monetary item in substance forms part of the Company's net investment in the foreign subsidiaries and associates, exchange differences arising on such a monetary item are recorded directly to exchange fluctuation reserve to the extent that the net investment is represented by net assets in the foreign entity until the disposal of the investments.

2(c) Summary of significant accounting policies (cont'd)

Non-monetary items

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Currency translation differences on non-monetary items, whereby the gains or losses are recognised in the income statement, such as equity investments held at fair value through profit or loss or investment properties carried at fair value, are reported as part of the fair value gains or losses in "other gains/ losses - net".

Changes in the fair value of monetary securities denominated in foreign currencies classified as available-for-sale are analysed into currency translation differences on the amortised cost of the securities, and other changes. Currency translation differences on the amortised cost are recognised in the income statement, and other changes are recognised in fair value reserve within equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Assets and liabilities of foreign subsidiaries and associates are translated at the rate of exchange ruling at the balance sheet date. The income statement of foreign subsidiaries and associates are translated using the average monthly rates. Foreign currency translation adjustments arising are recorded directly in exchange fluctuation reserves.

Segment reporting

A segment is a distinguishable component of the group within a particular economic environment (geographical segment) and to a particular industry (business segment) which is subject to risks and rewards that are different from those of other segments.

Inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Segment information is presented in respect of the group's geographical and business segments. The primary format, business segments, is based on the group's management and internal reporting structure. In presenting information on the basis of business segments, segment revenue and segment assets are based on the nature of the products or services provided by the group. Information for geographical segments is based on the geographical location of the principal places of business.

Financial instruments

Financial instruments carried on the balance sheet include cash and cash equivalents, financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. These instruments are recognised when contracted for.

Disclosures on financial risk management objectives and policies are provided in Note 29.

Employee benefits

Pension obligations

The Company and the Group participate in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations. In particular, the Singapore incorporated companies in the Group contribute to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to national pension schemes are charged to the income statement in the period to which the contributions relate.

2(c) Summary of significant accounting policies (cont'd)

Employee benefits (cont'd)

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the balance sheet date.

Key management personnel
Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain key executive officers are considered key management personnel.

3 Principal activities and revenue

The principal activities of the Company consist of investment holding. The principal activities of the subsidiaries are as stated in Note 6.

Significant categories of revenue, excluding inter-company transactions and applicable goods and services, are detailed as follows:

The Group	2008 $'000	2007 $'000
Rendering of hotel services	**48,496**	37,304
Rental income	**1,293**	1,206
Property development	**80,276**	64,197
	130,065	102,707

4 Intangible assets

The Group	2008 $'000	2007 $'000
	Goodwill	Goodwill
Cost		
At 1 January 2007	**2,040**	2,040
Additions	**-**	-
Disposal	**-**	-
At 31 December 2007	**2,040**	2,040
Additions	**-**	-
Disposal	**-**	-
At 31 December 2008, at cost	**2,040**	2,040
Impairment loss	**(368)**	-
At 31 December 2008, at net book value	**1,672**	2,040

For further information, please refer to note 2(a), impairment test for cash generating units containing goodwill.

5 Property, plant and equipment

The Group	Freehold land $'000	Buildings on freehold land $'000	Other assets $'000	Upgrading in progress $'000	Total $'000
Cost					
At 1 January 2007	9,302	61,293	5,917	-	76,512
Additions	-		50	1,978	2,028
Disposals	-	-	(95)	-	(95)
At 31 December 2007	**9,302**	**61,293**	**5,872**	**1,978**	**78,445**
Additions	-	1,846	1,192	-	3,038
Reclassification	-	1,978	-	(1,978)	-
Adjustments *	-	-	(775)	-	(775)
Disposals	-	-	(60)	-	(60)
At 31 December 2008	**9,302**	**65,117**	**6,229**	**-**	**80,648**
Accumulated depreciation					
At 1 January 2007	-	7,619	3,669	-	11,288
Depreciation for the year	-	1,230	395	-	1,625
Disposals	-	-	(65)	-	(65)
At 31 December 2007	**-**	**8,849**	**3,999**	**-**	**12,848**
Depreciation for the year	-	1,319	577	-	1,896
Disposals	-	-	(54)	-	(54)
At 31 December 2008	**-**	**10,168**	**4,522**	**-**	**14,690**
Net book value					
At 31 December 2008	**9,302**	**54,949**	**1,707**	**-**	**65,958**
At 31 December 2007	9,302	52,444	1,873	1,978	65,597

* The adjustments relate to expensing off of initial purchases of hotel operating equipment, comprising linen, uniform, silverware, chinaware, glassware and utensils.

(a) The freehold land and buildings are mortgaged to secure bank borrowings. At 31 December 2008, the market value of freehold land together with the buildings on freehold land was estimated to be $278,403,000 (2007 - $309,260,000). The valuation was carried out on 31 December 2008 by an independent professional valuer, on an open market value and existing use basis.

(b) Freehold land and buildings comprise:

- The Grand Mercure Roxy Hotel comprising 17 storeys with a basement with a floor area of 15,171.5 sq metres at 50 East Coast Road, Singapore.

- Unit 03-11 of Roxy Square Shopping Centre with a floor area of 247 sq metres at 50 East Coast Road, Singapore.

6 Subsidiaries

The Company	2008 $'000	2007 $'000
Unquoted equity investments, at cost	**36,443**	35,443
Amount owing to subsidiaries	**-**	2,454

The amount owing to subsidiaries was non-trade in nature, unsecured, non-interest bearing and repayable on demand.

Name	Country of incorporation/ principal place of business	Cost of investment		Effective percentage of equity held		Principal activities
		2008	2007	2008	2007	
Held by the Company		$'000	$'000			
Roxy-Pacific Developments Pte Ltd	Singapore	**32,734**	32,734	**100%**	100%	Hotel owning and development, property investment and development
Roxy Homes Pte Ltd	Singapore	**2,709**	2,709	**100%**	100%	Property developer
Roxy Land Pte Ltd	Singapore	**1,000**	*	**100%**	100%	Property developer
		36,443	35,443			

* represents $2

During the financial year ended 31 December 2008, one of its subsidiaries, Roxy Land Pte Ltd, increased its share capital from 2 shares to 1,000,000 shares by issuance of 999,998 new ordinary shares at an issue price of $1 each.

7 Investment properties

The Group	2008 $'000	2007 $'000
At beginning of year	**30,640**	27,310
Revaluation gain on investment property recognised in income statement	**1,788**	3,330
At end of year	**32,428**	30,640

a) Investment properties are held by a wholly owned subsidiary.

b) The properties are valued at $32,428,000 on 31 December 2008 by an independent firm of professional valuers. Valuations are made annually based on open market values and existing use. It is the intention of the directors to hold the investment properties for the long-term.

c) The investment properties are leased to non-related parties under operating leases.

d) The investment properties are charged by way of a legal mortgage for the borrowings extended to the Group (Note 15).

7 Investment properties (cont'd)

The Group	2008 $'000	2007 $'000
50 units of Roxy Square (Phase I & Phase II) shops at 50 East Coast Road Singapore	**32,428**	30,640

e) These investment properties are held on freehold tenure and the total floor area of the 50 units comprise 3,137 sq. metres.

f) The following amounts are recognised in the income statement:

The Group	2008 $'000	2007 $'000
Rental income	**1,293**	1,206
Direct operating expenses arising from investment properties that generated rental income	**474**	458
Other direct operating expenses arising from investment properties that did not generated rental income	**-**	-
	1,767	1,664

8 Properties for sale under development

The Group	2008 $'000	2007 $'000
Land cost	**217,712**	160,064
Development expenditure	**65,627**	27,077
	283,339	187,141
Attributable profit	**31,257**	11,913
	314,596	199,054
Allowance for foreseeable losses	**(1,700)**	-
Progress billings	**(126,790)**	(36,218)
	186,106	162,836
Loan interest capitalised during the year at interest rate of 2.45%- 4.94% (2007 - 4% - 5.9%)	**5,924**	4,158

The above properties for sale under development are pledged as security against short-term and long-term loans (Note 15).

8 Properties for sale under development (cont'd)

Properties for sale under development as at 31 December 2008 are as follows:

Location	Project name	Description	Approximate land area (Sq. metres)
Lots 3144W, 3146P, & 7405W of Mukim 26 at 66 & 68 Lorong G Telok Kurau	The Medley	Development site for 37 apartment units	2,589
Lot 5884T of Mukim 26 at East Coast Terrace	Axis@Siglap	Development site for 40 apartment units	2,395
Lots 389C, 390X, 391C, 99440N, 99439L, 99438X & 99437N of Mukim 29 at 1,3,5,7,9,11,11A/B Irrawaddy Road.	The Marque@ Irrawaddy	Development site for 48 apartment units	1,552
Lots 2555C, 6479W, 6480C, 6481M and 6482W of Mukim 26 at 50 Lorong M Telok Kurau	The Montage	Development site for 33 apartment units	2,108
Lots 2617P, 95462M, 95463M & 2615W-PT of Mukim 26 at 114, 116 & 118 Lorong H Telok Kurau	The Verte	Development site for Proposed 35 apartment units and 1 townhouse	3,094
Lots 99637W, 99653M, 99654W, 99655V TS 29 & 471P-PT TS 29 at Bhamo Road	Nova 88	Development site for Proposed 88 apartment units	2,637
Lots 5852P, 5853T, 7545T & 7546A-PT MK 26 at Lorong N Telok Kurau/East Coast Road	The Ambrosia	Development site for Proposed 39 apartment units	3,660
Lots 5776V & 5777P MK26 at Chapel Road	The Adara	Development site for Proposed 16 apartment units	1,031
Lots 7566X & 7567L MK 26 at Lorong H Telok Kurau	The Azzuro	Development site for Proposed 15 apartment units	873
Lots 4138P, 4139T, 4874K, 4875N, 4970C & 7207PT MK 22 at Florence Road	The Florentine	Development site for Proposed 34 apartment units	2,418
Lots 2599L, 5124A, 5125K & 5126N MK 26 at Lorong H Telok Kurau	The Ambra	Development site for Proposed 25 apartment units	1,746
Lots 99638V, 179L, 99639P, 99640W, 99641V, 99642P, 99643T, 99644A, 99635C, 99645K, 99646N, 99647X, 99648L & 401L-PT TS29 at Prome Road	Nova 48	Development site for Proposed 48 apartment units	1,818
Lot 762W, 6489X & 6490K MK 26 Lor N Telok Kurau	The Lucent	Development site for Proposed 42 apartment units	3,024

8 Properties for sale under development (cont'd)

Properties for sale under development as at 31 December 2007 are as follows:

Location	Project name	Description	Approximate land area (Sq. metres)
Lots 6046M, 6047W, 3385V & 3386P of Mukim 26 at St. Patrick's Road	St. Patrick's Loft	Development site for 37 apartment units	2,779
Lots 3144W, 3146P, & 7405W of Mukim 26 at 66 & 68 Lorong G Telok Kurau	The Medley	Development site for 37 apartment units	2,589
Lot 5884T of Mukim 26 at East Coast Terrace	Axis@Siglap	Development site for 40 apartment units	2,395
Lots 389C, 390X, 391C, 99440N, 99439L, 99438X & 99437N of Mukim 29 at 1,3,5,7,9,11,11A/B Irrawaddy Road.	The Marque@ Irrawaddy	Development site for 48 apartment units	1,552
Lots 2555C, 6479W, 6480C, 6481M and 6482W of Mukim 26 at 50 Lorong M Telok Kurau	The Montage	Development site for 33 apartment units	2,108
Lots 4396X, 4397L, 4398C & 4399M of Mukim 26 at 110/112 Lorong G Telok Kurau	The Treeline	Development site for 34 apartment units	2,286
Lots 2617P, 95462M, 95463M & 2615W-PT of Mukim 26 at 114, 116 & 118 Lorong H Telok Kurau	The Verte	Development site for Proposed 35 apartment units and 1 townhouse	3,094
Lots 99637W, 99653M, 99654W, 99655V TS 29 & 471P-PT TS 29 at Bhamo Road	Nova 88	Development site for Proposed 88 apartment units	2,637
Lots 5852P, 5853T, 7545T & 7546A-PT MK 26 at Lorong N Telok Kurau/East Coast Road	The Ambrosia	Development site for Proposed 39 apartment units	3,660
Lots 5776V & 5777P MK26 at Chapel Road	The Adara	Development site for Proposed 16 apartment units	1,031
Lots 7566X & 7567L MK 26 at Lorong H Telok Kurau	The Azzuro	Development site for Proposed 15 apartment units	873
Lots 4138P, 4139T, 4874K, 4875N, 4970C & 7207PT MK 22 at Florence Road	The Florentine	Development site for Proposed 34 apartment units	2,418
Lots 2599L, 5124A, 5125K & 5126N MK 26 at Lorong H Telok Kurau	The Ambra	Development site for Proposed 25 apartment units	1,746
Lots 99638V, 179L, 99639P, 99640W, 99641V, 99642P, 99643T, 99644A, 99635C, 99645K, 99646N, 99647X, 99648L & 401L-PT TS29 at Prome Road	Nova 48	Development site for Proposed 48 apartment units	1,818

8 Properties for sale under development (cont'd)

Had the completion of construction method been adopted, the financial effects as required under Recommended Accounting Practice 11, Pre-completion Contracts for the Sale of Development Property, are as follows:

The Group	2008 $'000	2007 $'000
(a) Consolidated Income statement		
Decrease in profit after taxation arising from:		
- decrease in sales of properties for sale under development	25,736	45,206
- decrease in cost of properties for sale under development	(16,189)	(35,034)
	9,547	10,172
Decrease in basic/diluted earnings per share (cents)	1.50	1.60
(b) Balance sheet		
Decrease in retained profits:		
- At beginning of year	11,503	1,331
- Net profit	9,547	10,172
- At end of year	21,050	11,503
Decrease in properties for sale under development:		
- At beginning of year	11,913	1,638
- At end of year	21,460	11,913

9 Inventories

The Group	2008 $'000	2007 $'000
Hotel supplies, at cost	133	132

10 Trade receivables

	The Group		The Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Trade receivables	11,237	12,246	19	10
Provision for impairment	(73)	(120)	-	-
	11,164	12,126	19	10
Movements on provision:				
Balance at beginning	120	98	-	-
Allowance for the year	-	22	-	-
Written off	(10)	-	-	-
Write-back provision	(37)	-	-	-
Balance at end	73	120	-	-

The ageing analysis of trade receivables is as follows:

	The Group 2008 $'000	The Group 2007 $'000	The Company 2008 $'000	The Company 2007 $'000
Not past due	9,065	11,742	1	-
Past due 0 to 3 months but not impaired	2,048	250	2	10
Past due 3 to 6 months but not impaired	34	40	2	-
Past due over 6 months but not impaired	17	94	14	-
	11,164	12,126	19	10

Trade receivables are denominated in Singapore dollars.

11 Other receivables

	The Group		The Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Amount due from subsidiaries	-	-	13,740	3
Tax recoverable	33	33	-	-
Receivable from contractors	312	276	-	-
Recoverable expenses	268	619	-	619
	580	895	-	619
Deposits	150	92	-	-
Prepayments	148	520	11	1
Fixed deposit interest receivable	86	9	62	-
	997	1,549	13,813	623

The ageing analysis of other receivables is as follows:

	The Group 2008 $'000	The Group 2007 $'000	The Company 2008 $'000	The Company 2007 $'000
Not past due	997	1,549	13,813	623

The amounts due from subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

Other receivables are denominated in Singapore dollars.

12 Project accounts

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

The Group	2008 $'000	2007 $'000
Cash at bank	**17,859**	13,732
Fixed deposit	**43,900**	10,000
	61,759	23,732

All project accounts are denominated in Singapore dollars.

13 Fixed deposits

Short-term deposits of the Group have an average maturity of 2 months (2007 - 1 month) from the end of the financial year. The weighted average effective interest rate of these deposits as at 31 December 2008 was 0.8% (2007 – 1.87%) per annum.

Fixed deposits of $661,000 are pledged to financial institutions as security for bankers' guarantees issued to these financial institutions.

14 Share capital

	The Group and The Company			
	2008	2007	2008	2007
	Number of Ordinary Shares		$'000	$'000
Issued and fully paid, with no par value				
Balance at beginning of year	**508,560,000**	47,591	**11,114**	8,600
Issue of ordinary shares	**128,000,000**	3,265	**38,400**	590
Share sub-division of every ordinary share into 10,000 ordinary shares	**-**	508,509,144	**-**	-
Adjustment to consideration for the interests in a subsidiary	**-**	-	**-**	1,924
Share issue expenses	**-**	-	**(2,115)**	-
Balance at end of year	**636,560,000**	**508,560,000**	**47,399**	**11,114**

On 12 March 2008, the Company was admitted to the Official List of the SGX-ST and trading in its shares commenced.

15 Bank borrowings

The Group	2008 $'000	2007 $'000
Bank loans (secured)		
Repayable:	85,184	73,074
- within 1 year	181,527	155,397
- after 1 year	266,711	228,471

Bank borrowings are denominated in Singapore dollars.

The bank loans are secured by:

(a) investment properties in Note 7;

(b) rental income from investment properties in Note 7;

(c) proceeds from sale of investment properties in Note 7;

(d) joint guarantee of four directors and the Company;

(e) freehold land and buildings in Note 5;

(f) properties for sale under development in Note 8;

(g) proceeds from sale of properties for sale under development in Note 8;

Interest was charged at normal commercial rates on these loans at rates varying from 2.45% to 4.5% (2007 - 2.75% to 5.94%) per annum at the balance sheet date.

The amount repayable within one year is included under current liabilities whilst the amount repayable after one year is included under non-current liabilities.

Interest is repriced every 1 to 6 months for those on floating rate. The outstanding bank loans of the Group exposed to interest rate were as follows:

The Group	2008 $'000	2007 $'000
Bank borrowings		
- Fixed rate	**141,889**	151,116
- Floating rate	**124,822**	77,355
	266,711	228,471
Fair value	**265,591**	226,457

16 Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

The Group	2008 $'000	2007 $'000
Balance at beginning	8,373	3,520
Reclassified from current taxation	-	204
Under-provision of current taxation in respect of prior years	-	616
Transfer from income statement (Note 24)	2,292	4,033
Balance at end	10,665	8,373

The balance comprises tax on the following temporary differences:

	2008			2007		
	Excess of net book value over tax written down value of property, plant and equipment $'000	Fair value gains $'000	Total $'000	Excess of net book value over tax written down value of property, plant and equipment $'000	Fair value gains $'000	Total $'000
The Group						
Balance at beginning	7,774	599	8,373	3,520	-	3,520
Charged to the						
- income statement (Note 24)	1,970	322	2,292	3,434	599	4,033
Under-provision of current taxation in respect of prior years	-	-	-	616	-	616
Reclassification from current tax	-	-	-	204	-	204
Balance at end	9,744	921	10,665	7,774	599	8,373

17 Trade payables

	The Group 2008 $'000	The Group 2007 $'000	The Company 2008 $'000	The Company 2007 $'000
Trade payables	2,831	3,419	12	-
Retention sum payables	1,962	1,414	-	-
	4,793	4,833	12	-

Trade payables are denominated in Singapore dollars.

18 Other payables

	The Group		The Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Rental deposits	**378**	334	**-**	-
Other deposits	**488**	491	**-**	-
Other creditors	**304**	493	**-**	34
Provision for construction costs for completed projects	**1,758**	565	**-**	-
Hotel management fees payable	**1,890**	1,432	**-**	-
Provision for directors' performance bonus	**3,021**	2,386	**3,021**	-
Goods and Services Tax payable	**565**	454	**-**	-
Accrual for payroll and related expenses (including staff bonuses)	**1,645**	1,528	**74**	-
Accrual of unbilled progress claims from contractors	**2,550**	1,915	**-**	-
Accrued operating expenses	**2,067**	1,685	**155**	10
	14,666	11,283	**3,250**	44

Other payables are denominated in Singapore dollars.

19 Provision for taxation

	The Group		The Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Movements in provision for taxation:				
Balance at beginning of year	**-**	168	**-**	-
Tax (paid) / refunded	**(294)**	4	**-**	-
Reclassification to tax recoverable	**-**	32	**-**	-
Reclassification to deferred taxation	**-**	(204)	**-**	-
Current year provision	**3,382**	-	**99**	-
Balance at end of year	**3,088**	-	**99**	-

20 Segment information by operations

Segment information is presented in respect of the Group's business segments. No segment information for geographical segments is presented as the Group's operations are in Singapore.
The primary reporting segment – business segments, is based on the Group's management and internal reporting structure.

The Group comprises the following main business segments:

1) Hotel ownership segment is involved in hotel operations
2) Property development segment is involved in the development and sale of residential properties
3) Property investment and others is involved in properties held for rental yields and investment holdings

	Hotel Ownership		Property development		Property investment and others		Eliminations		Group	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Revenue										
External	**48,496**	37,304	**80,276**	64,197	**1,293**	1,206	**-**	-	**130,065**	102,707
Internal	-	-	-	-	**5,324**	-	**(5,324)**	-	**-**	-
	48,496	37,304	**80,276**	64,197	**6,617**	1,206	**(5,324)**	-	**130,065**	102,707
Segment results	**20,315**	14,546	**18,793**	13,289	**(640)**	48	**-**	-	**38,468**	27,883
Operating profit								-	**34,522**	24,647
Interest income									**356**	317
Finance cost									**(4,233)**	(4,354)
Fair value gain on investment properties	**-**	-	**-**	-	**1,788**	3,330	**-**	-	**1,788**	3,330
Allowance for foreseeable losses on properties for sale under development	**-**	-	**(1,700)**	-	**-**	-	**-**	-	**(1,700)**	-
Impairment loss on intangible assets	**-**	-	**(368)**	-	**-**	-	**-**	-	**(368)**	-
Profit before taxation									**30,365**	23,940
Taxation									**(5,674)**	(4,649)
Profit for the year									**24,691**	19,291

20 Segment information by operations (cont'd)

	Hotel Ownership		Property development		Property investment and others		Eliminations		Group	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Segment assets	**81,254**	70,902	**270,293**	197,167	**58,659**	40,564	**-**	-	**410,206**	308,633
Segment liabilities	**39,784**	40,832	**224,927**	183,601	**21,459**	20,154	**-**	-	**286,170**	244,587
Capital expenditure	**3,032**	1,975	**4**	-	**2**	53	**-**	-	**3,038**	2,028
Depreciation of property, plant and equipment	**1,841**	1,572	**1**	-	**54**	53	**-**	-	**1,896**	1,625
Impairment loss on intangible assets	**-**	-	**368**	-	**-**	-	**-**	-	**368**	-
Allowance for foreseeable losses on properties for sale under development	**-**	-	**1,700**	-	**-**	-	**-**	-	**1,700**	-
Loss on disposal of property, plant and equipment	**5**	31	**-**	-	**-**	-	**-**	-	**5**	31

20.1 Sales by Market

The Group's consolidated sales are solely generated in Singapore.

20.2 Segment Revenue and Expense

All segment revenue and expenses are directly attributable to the segments

20.3 Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, receivables, inventory and property, plant and equipment, net of allowances and provisions. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities include all operating liabilities and consist principally of accounts, wages, and accrued liabilities. Segment assets and liabilities do not include current tax payable and deferred taxation.

21 Other operating income

The Group	2008 $'000	2007 $'000
Gain on disposal of quoted equity investment	-	50
Income from hotel money exchange operations	41	47
Finance income	356	317
Abortive option fee	129	12
Rental income from development lands acquired with tenancy	2	2
Management fees charged to a corporate shareholder	2	2
Management fees charged to companies in which certain directors have interests	7	7
Others	2	8
	539	445

22 Finance cost

The Group	2008 $'000	2007 $'000
Interest expense on:		
Bank loans	4,132	4,274
Commitment fees	101	80
	4,233	4,354

23 Profit before taxation

The Group	Note	2008 $'000	2007 $'000
Profit before taxation is arrived at			
after charging:			
Directors' fees		155	-
Non-audit fees			
- auditors of the Company		5	5
Allowance for doubtful debts		-	22
Allowance for foreseeable losses on properties for sale under development	8	1,700	-
Bad debts written off (trade)		10	3
Depreciation of property, plant and equipment	5	1,896	1,625
Impairment loss on intangible assets	4	368	-
Loss on disposal of plant and equipment		5	31
Operating lease expenses		101	98
Share issue expenses (non-incremental costs)		197	-
Staff costs			
Directors remuneration other than fees			
- directors of the Company		3,879	3,182
- CPF contributions		55	53
Key management personnel (other than Directors)			
- Salaries, wages and other related costs		689	570
- CPF contributions		80	74
Other than directors and key management personnel:			
- Salaries, wages and other related costs		8,420	7,261
- CPF contributions		709	615
- other personnel expenses		876	744
		14,708	12,499
and crediting:			
Income from hotel money exchange operations		41	47
Fair value gain on investment properties		1,788	3,330
Gain on disposal of quoted equity investment		-	50
Finance income (interest income)		356	317

24 Income tax expense

The Group	2008 $'000	2007 $'000
Current taxation	(3,382)	-
Deferred taxation (Note 16)	(2,292)	(4,033)
Current year tax charge	(5,674)	(4,033)
Over/(under) provision of current taxation in respect of prior years	-	(616)
	(5,674)	(4,649)
Profit before taxation	30,365	23,940
Tax at statutory rate of 18% (2007: 18%)	(5,466)	(4,309)
Change in tax rate (2007: 2%)	-	360
Utilisation of deferred tax assets on temporary differences not recognised in previous years	252	-
Expenses not deductible for tax purposes	(515)	(84)
Tax exemption	55	-
Current year tax charge	(5,674)	(4,033)
Prior year taxation	-	(616)
	(5,674)	(4,649)

As at 31 December 2008, there are no estimated net unabsorbed losses (2007 - $1,398,432) for the Group, which were subject to agreement with the tax authorities.

There are no unutilised tax benefits (2007 - $251,718) arising from unabsorbed tax losses.

25 Earnings per share

The basic and diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The Group	2008	2007
Net profit after taxation ($'000)	24,691	19,291
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	611,729	508,560
Earnings per share - Basic /Diluted (cents)	4.04	3.79

26 Capital commitments

There were no outstanding capital commitments not provided for in the financial statements as at 31 December 2008.

27 Operating lease commitments (non-cancellable)

(A) Where Group is the lessee

At the balance sheet date, the Group was committed to making the following rental payments in respect of operating leases of office equipments, motor vehicle and car park with an original term of more than one year:

The Group	2008 $'000	2007 $'000
Not later than one year	**88**	94
Later than one year and not later than five years	**303**	204
Later than five years	**29**	72
	420	370

The leases on the Group's office equipments, motor vehicle and car park on which rentals are payable will expire between December 2011 to August 2014, subject to an option to renewal, and the current rent payable on the leases ranging from $144 to $3,600 per month which are subject to revision on renewal.

(B) Where Group is the lessor

At the balance sheet date, the Group had the following rental income under lease for commercial premises with a term of more than one year:

The Group	2008 $'000	2007 $'000
Not later than one year	**1,384**	1,147
Later than one year and not later than five years	**632**	363
Later than five years	**-**	-
	2,016	1,510

The leases on the Group's commercial premises on which rentals are received will expire between January 2008 to January 2011 with renewal at the then prevailing rates.

28 Significant related party transactions

Other than the related party information disclosed elsewhere in the financial statements, the following are interested person transactions entered into by the Company with related parties at negotiated rates:

The Group	2008 $'000	2007 $'000
Advisory fees paid to a related party		
- Corporate Brokers International Pte. Ltd.	**54**	48
Aggregate remuneration (including CPF contributions thereon and benefits) of employees who are related to our Directors	**272**	227

Corporate Brokers International Pte. Ltd. is a company which Mr Winston Tan Tien Hin is a shareholder and director.

28 Significant related party transactions (cont'd)

The employees who are related to our directors are are Teo Kok Leong, Teo Kok Thye, Lim Tsoh Liat, Loh Kwang Chew, Cheong Kwai Fun and Phua Lay Leng. Teo Kok Leong is the father of four of our Executive Directors, namely Teo Hong Lim, Chris Teo Hong Yeow, Michael Teo Hong Wee and Teo Hong Hee. Teo Kok Thye, Lim Tsoh Liat and Loh Kwang Chew are uncles to Teo Hong Lim, Chris Teo Hong Yeow, Michael Teo Hong Wee and Teo Hong Hee. Cheong Kwai Fun and Phua Lay Leng are both cousins to Teo Hong Lim, Chris Teo Hong Yeow, Michael Teo Hong Wee and Teo Hong Hee.

29 Financial risk management objectives and policies

The Company and the Group have documented financial risk management policies. These policies set out the Company's and the Group's overall business strategies and its risk management philosophy. The Company and the Group are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks included credit risk, liquidity risk, interest rate risk and market price risk. The Company's and the Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Company's and the Group's financial performance.

The Company and the Group do not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

29.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's exposure to credit risk arises primarily from trade and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the Director of Finance & Administration, General Manager & the Executive Directors based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Company and at Group level by the Director of Finance & Administration, General Manager & the Executive Directors. As at 31 December 2008 and 31 December 2007, none of the Group's individual trade receivables balances represented more than 5% of total Group trade receivables. Credit terms are generally not more than 30 days.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

29 Financial risk management objectives and policies (cont'd)

29.1 Credit risk (cont'd)

Exposure to credit risk
The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

The Company	2008 $'000	2007 $'000
Corporate guarantees provided to banks on subsidiaries' loans	**266,711**	228,471

There is no change in interest rates charged due to the above corporate guarantees provided by the Company. The interest rates charged by the lenders on subsidiaries loans are at market rates.

The Company's and the Group's major classes of financial assets are bank deposits and trade receivables. Cash is held with financial institutions of good standing/established financial institutions/reputable financial institutions. Further details of credit risks on trade and other receivables are disclosed in Notes 10 and 11.

29.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from their loans and borrowings. All of the Group's financial assets and liabilities at floating rates are contractually repriced at intervals of less than 12 months (2007 - less than 12 months) from the balance sheet date.

Sensitivity analysis for interest rate risk
The following carrying amounts of interest-bearing borrowings of the Group that are exposed to interest rate risk:

The Group	2008 $'000	2007 $'000
Bank borrowings		
- Fixed rate	**141,889**	151,116
- Floating rate	**124,822**	77,355
	266,711	228,471

At the balance sheet date, if SGD interest rates had been 100 (2007 - 100) basis points lower/higher with all other variables held constant, the Group's profit net of tax at 18% (2007 -18%) would have been $1,023,544 (2007 - $634,314) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate borrowings.

29.3 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group's operational activities are carried out in Singapore dollars, which is the functional currency. All transactions are paid for in local currency. There is minimal exposure to risk arising from movements in foreign currencies exchange rates as the group has no significant transactions in foreign currency.

29 Financial risk management objectives and policies (cont'd)

29.4 Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's and the Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's and the Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The table below analyses the maturity profile of the Company's and the Group's financial liabilities based on contractual undiscounted cash flows.

The Group	Effective interest rates	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
As 31.12.2008					
Trade and other payables	**-**	**19,459**	**-**	**-**	**19,459**
Borrowings	**2.45% to 4.5%**	**85,184**	**120,379**	**61,148**	**266,711**
		104,643	**120,379**	**61,148**	**286,170**
As 31.12.2007					
Trade and other payables	-	16,116	-	-	16,116
Borrowings	2.75% to 5.94%	73,074	91,065	64,332	228,471
		89,190	91,065	64,332	244,587

Credit terms for trade payables are generally 30 to 60 days.

The Group ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner. The Finance Division aims at maintaining flexibility in funding by keeping committed credit facilities available.

30 Financial instruments

Fair values

The carrying amount of the financial assets and financial liabilities with a maturity of less than one year is assumed to approximate their fair values.

31 Capital management

The Group's objectives when managing capital are:

(a) To safeguard the Group's ability to continue as a going concern;

(b) To support the Group's stability and growth;

(c) To provide capital for the purpose of strengthening the Company's risk management capability; and

(d) To provide an adequate return to shareholders.

31 Capital management (cont'd)

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

There were no changes in the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

32 Disclosure of directors' remuneration

As required by the Listing Manual of the Singapore Exchange, the remuneration of directors of the Company is disclosed in bands as follows:

	Number of Directors 2008	2007
$500,000 and above	5	4
$250,000 to $499,999	-	1
Below $250,000	4	4
	9	9

33 Disclosure on use of proceeds from Initial Public Offering

On 11 March 2008, 128,000,000 new ordinary shares were issued pursuant to the initial public offering ("IPO") of the Company.

The net proceeds raised from the IPO of the Company (after deducting the IPO issue expenses in relation to the invitation, comprising listing fees, underwriting and placement commission, professional fees and other expenses of $2.1 million) was $36.3 million.

As at the date of this Report, the Company has utilized $15.6 million of the net proceeds as follows:

		$'000
1)	To reduce short-term bank borrowings	5,003
2)	To repay revolving working capital loans	3,698
3)	To acquire a residential development land plot	6,913
		15,614

Shareholding Statistics as at 9 March 2009

ROXY-PACIFIC HOLDINGS LIMITED

Financial Year Ended 31 December 2008

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 - 999	1	0.05	500	-
1,000 - 10,000	1,200	60.51	7,487,500	1.18
10,001 - 1,000,000	749	37.77	51,345,000	8.07
1,000,001 AND ABOVE	33	1.66	577,727,000	90.76
GRAND TOTAL	1,983	100.00	636,560,000	100.00

PUBLIC FLOAT

Based on the information available to the Company as at 9 March 2009, approximately 24.92% of the issued ordinary shares of the Company is held by the public, and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

Substantial Shareholders	Number of Shares	
	Direct interest	Deemed interest
Kian Lam Investment Pte Ltd[1]	226,112,000	70,930,000
Sen Lee Development Private Limited	70,930,000	-
Teo Hong Lim[2] [3]	59,480,000	297,042,000
Sutantio[4]	17,820,000	17,140,000
Tjandrawati [4]	17,140,000	17,820,000

(1) Kian Lam Investment Pte Ltd ("Kian Lam") holds more than 50% of the issued share capital of Sen Lee Development Private Limited ("Sen Lee") and is deemed to be interested in the shares of the Company held by Sen Lee.

(2) Teo Hong Lim holds more than 20% of the issued share capital of Kian Lam. In this respect, pursuant to Section 7 of the Companies Act, Cap. 50, Teo Hong Lim is deemed to be interested in the shares of the Company held by Kian Lam and Sen Lee.

(3) Of the 59,480,000 shares in which Teo Hong Lim has an interest, 5,200,000 shares are registered in the name of nominees.

(4) Sutantio is the husband of Tjandrawati. Each of them is deemed to be interested in the shares held by each other.

TWENTY LARGEST REGISTERED SHAREHOLDERS

No.	NAME	NO OF SHARES	%
1	KIAN LAM INVESTMENT PTE LTD	226,112,000	35.52
2	SEN LEE DEVELOPMENT PTE LTD	70,930,000	11.14
3	TEO HONG LIM	54,280,000	8.53
4	HONG LEONG FINANCE NOMINEES PL	27,987,000	4.40
5	CHEONG FUNG FAI	20,020,000	3.15
6	OVERSEA CHINESE BANK NOMS PTE	20,000,000	3.14
7	SUTANTIO	17,820,000	2.80
8	TJANDRAWATI	17,140,000	2.69
9	SIN HENG CHAN INVESTMENTS PTE LTD	12,650,000	1.99
10	TEO KOK LEONG	12,600,000	1.98
11	TEO HONG YEOW	10,260,000	1.61
12	KOH WEE MENG	10,000,000	1.57
13	LIM SWEE HAH	9,960,000	1.56
14	TEO HONG HEE	9,780,000	1.54
15	CHNG GIM HUAT	7,800,000	1.23
16	TEO KOK THYE	7,000,000	1.10
17	CHEONG KWAI FUN (ZHANG GUIFEN)	5,010,000	0.79
18	2G CAPITAL PTE LTD	4,750,000	0.75
19	UOB KAY HIAN PTE LTD	4,239,000	0.67
20	KOH SENG GEOK	4,038,000	0.63
	TOTAL	**552,376,000**	**86.78**

Notice of Annual General Meeting

ROXY-PACIFIC HOLDINGS LIMITED

Financial Year Ended 31 December 2008

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Roxy Room 1 & 2, 4th Floor Grand Mercure Roxy Hotel, Marine Parade Road, Roxy Square, Singapore 428769 on Thursday, 9 April 2009 at 9.30 am to transact the following business: -

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2008 and the Reports of the Directors and Auditors thereon.

   (Resolution 1)

2. To declare a final dividend of 0.75 cents per ordinary share (tax exempt one-tier) for the financial year ended 31 December 2008.

   (Resolution 2)

3. To approve the Directors' fee of $142,000 for the financial year ending 31 December 2009 and the payment thereof on a quarterly basis.

   (Resolution 3)

4. To re-elect the following Directors:-

   (a) Mr Teo Hong Lim, a Director retiring under Article 103 of the Articles of Association.

   (Resolution 4)

   (b) Mr Teo Hong Wee, a Director retiring under Article 103 of the Articles of Association.

   (Resolution 5)

   (c) Mr Winston Tan Tien Hin, a Director retiring under Article 103 of the Articles of Association.

   (Resolution 6)

   Mr Winston Tan Tien Hin, upon re-election as a Non-executive Director of the Company, remain as a member of the Audit Committee and will be considered non independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST). He will remain as member of the Nominating Committee and the Remuneration Committee.

5. To re-appoint Foo Kon Tan Grant Thornton as Auditors of the Company and to authorise the Directors to fix their remuneration.

   (Resolution 7)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:-

6. Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act, and the listing rules of the SGX-ST, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

(a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares excluding treasury shares, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares, and for the purpose of this resolution, the total number of issued shares excluding treasury shares shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for;

(a) new shares arising from the conversion or exercise of convertible securities, or
(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and
(c) any subsequent bonus issue, consolidation or subdivision of the Company's shares,

(ii) the 50 per cent limit in sub-paragraph (i) above may be increased to 100% for issues of shares and/or Instruments by way of a renounceable rights issue where shareholders of the Company are entitled to participate in the same on a pro-rata basis; and

(iii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

(Resolution 8)
(See Explanatory Note 1)

7. Authority to issue shares at a discount

   That subject to and conditional upon the passing of Resolution 8 above, approval be and is hereby given to the directors of the Company at any time to issue shares (other than on a pro-rata basis to shareholders of the Company) at an issue price for each share which shall be determined by the directors of the Company in their absolute discretion provided that such price shall not represent a discount of more than 20 per cent to the weighted average price of a share for trades done on the SGX-ST (as determined in accordance with the requirements of SGX-ST).

   (Resolution 9)
   (See Explanatory Note 2)

8. To transact any other business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Koh Seng Geok
Foo Soon Soo
Company Secretaries

Singapore, 24 March 2009

Explanatory Notes on Special Business to be transacted:-

1. (a) The Ordinary Resolution 8 is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company of which (a) the aggregate number of shares (including shares to be issued in pursuance of convertible securities granted) by way of a rights issue does not exceed 100% of the total number of issued shares excluding treasury shares, (b) the aggregate number of shares (including shares to be issued in pursuance of convertible securities granted) to be issued on a pro rata but non-renounceable basis to shareholders of the Company does not exceed 50% of the total number of issued shares excluding treasury shares, and (c) the aggregate number of shares (including shares to be issued in pursuance of convertible securities granted) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares provided always the aggregate number of shares (including shares to be issued in pursuance of convertible securities granted) under (a), (b) and (c) shall not exceed 100% of the total number of issued shares excluding treasury shares.

   (b) The increased limit of up to 100% for renounceable rights issue will be effective up to 31 December 2010 pursuant to SGX-ST's notification dated 19 February 2009 and the increased limit is subject to the conditions that the issuer makes periodic announcements on the use of the proceeds as and when the funds are materially disbursed and provides a status report on the use of proceeds in the annual report.

2. The increase in the discount limit of up to 20% for the issue of shares on a non-pro rata issue basis is effective up to 31 December 2010 pursuant to SGX-ST's notification dated 19 February 2009.

Notice of Annual General Meeting

ROXY-PACIFIC HOLDINGS LIMITED

Financial Year Ended 31 December 2008

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy in his stead.
2. A proxy need not be a member of the Company.
3. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
4. The instrument appointing a proxy must be deposited at the registered office of the Company at 50 East Coast Road #03-11, Roxy Square Shopping Centre Singapore 428769 not later than 48 hours before the time appointed for the Meeting.

NOTICE OF BOOKS CLOSURE DATE

NOTICE IS ALSO HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 21 April 2009 after 5.00 p.m., for the purpose of determining the Members' entitlements to the dividends to be proposed at the Annual General Meeting of the Company to be held on 9 April 2009.

Duly completed registrable transfers in respect of shares of the Company received by the Company's Share Registrar, KCK CorpServe Pte. Ltd. of 333 North Bridge Road #08-00 KH KEA Building Singapore 188721 up to 5.00 p.m. on 21 April 2009 will be registered to determine the Members' entitlements to such dividends. Members whose Securities Accounts with The Central Depository (Pte) Ltd are credited with shares of the Company as at 5.00 p.m. on 21 April 2009 will be entitled to such proposed dividends.

The proposed dividends, if approved by Members at the Annual General Meeting, will be paid on 12 May 2009.

BY ORDER OF THE BOARD

Koh Seng Geok
Foo Soon Soo
Company Secretaries

Singapore, 24 March 2009

PROXY FORM

ROXY-PACIFIC HOLDINGS LIMITED

Registration No. 196700135Z
(Incorporated in the Republic of Singapore)

IMPORTANT
1. For investors who have used their CPF monies to buy ROXY-PACIFIC HOLDINGS LIMITED shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees, and is sent FOR INFORMATION ONLY.
2. This proxy form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ____

of ____

being *a member/members of ROXY-PACIFIC HOLDINGS LIMITED (the "Company"), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy (%)
*and/or			

or failing him/her, the Chairman of the Meeting as *my/our *proxy/proxies, to vote for *me/us on *my/our behalf and, if necessary, to demand a poll at the Annual General Meeting of the Company to be held at Roxy Room 1 & 2, 4th Floor Grand Mercure Roxy Hotel, Marine Parade Road, Roxy Square, Singapore 428769 on Thursday, 9 April 2009 at 9.30 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated with an "**X**" in the spaces provided hereunder. If no specified directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

No.	Ordinary Resolutions	For	Against
	Ordinary business		
1.	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2008 and the Reports of the Directors and Auditors thereon.		
2.	To declare a final dividend of 0.75 cents per ordinary share (tax-exempt one-tier) for the financial year ended 31 December 2008.		
3.	To approve the Directors' fee of S$142,000/- for the financial year ending 31 December 2009 and payment thereof on a quarterly basis.		
4.	To re-elect Mr Teo Hong Lim, a Director of the Company, pursuant to Article 103 of the Articles of Association.		
5.	To re-elect Mr Teo Hong Wee, a Director of the Company, pursuant to Article 103 of the Articles of Association.		
6.	To re-elect Mr Winston Tan Tien Hin, a Director of the Company, pursuant to Article 103 of the Articles of Association.		
7.	To re-appoint Foo Kon Tan Grant Thornton as Auditors of the Company and to authorise the Directors to fix their remuneration.		
	Special Business		
8.	To authorize Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		
9.	To authorize Directors to issue placement shares at an issue price of up to a maximum discount of 20% to the market price of the shares		

Dated this ______________ day of ______________ 2009

Total Number of Shares Held

____
Signature(s) of Member(s)/Common Seal

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on his stead. Such proxy need not be a member of the Company.
2. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
3. This instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
4. A corporation which is a member of the Company may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore.
5. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 50 East Coast Road #03-11, Roxy Square Shopping Centre Singapore 428769 not later than 48 hours before the time set for the Annual General Meeting.
6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
8. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time set for the Annual General Meeting.

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Postage
Stamp

The Company Secretary
ROXY-PACIFIC HOLDINGS LIMITED
50 East Coast Road #03-11,
Roxy Square Shopping Centre
Singapore 428769

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Holdings Limited

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