Roxy-Pacific
Holdings Limited

ROXY-PACIFIC HOLDINGS LIMITED

UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND
ANNOUCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

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TABLE OF CONTENTS

Roxy-Pacific Holdings Limited

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

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

	FY2007 S$'000	FY2006 S$'000	Change in % Increase / (Decrease) %
Revenue	102,707	48,813	110.4%
Cost of sales	(60,763)	(25,023)	142.8%
Gross profit	41,944	23,790	76.3%
Other operating income	3,775	596	533.4%
Distribution expenses	(1,476)	(1,378)	7.1%
Administrative expenses	(6,595)	(3,617)	82.3%
Other operating expenses	(9,354)	(8,048)	16.2%
Finance costs	(4,354)	(3,820)	14.0%
Profit before tax	23,940	7,523	218.2%
Taxation	(4,649)	(2,338)	98.8%
Profit after taxation	19,291	5,185	272.1%
Attributable to:			
Shareholders of the Company	19,291	4,840	298.6%
Minority Interests	-	345	n/m
	19,291	5,185	272.1%

Profit before tax is arrived at after charging:

Allowance for doubtful debts and bad debts written off	25	50	-50.0%
Depreciation of property, plant & equipment	1,625	1,635	-0.6%
Interest on borrowings	4,354	3,820	14.0%
Loss on disposal of property, plant & equipment	31	2	1450.0%
Staff costs (including directors' remuneration)			
- salaries, wages and bonuses	10,910	7,306	49.3%
- contribution to defined contribution plans	743	619	20.0%
- other personnel expenses	847	719	17.8%

and crediting:

Foreign exchange gain	47	42	11.9%
Gain on sale of quoted investment	50	55	-9.1%
Gain on revaluation of investment properties	3,330	-	n/m
Interest income	317	205	54.6%
Profit from share of disposed subsidiary	-	33	n/m

n/m: Not meaningful

Roxy-Pacific Holdings Limited

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
		Restated		
	31-Dec-07	31-Dec-06	31-Dec-07	31-Dec-06
	S$'000	S$'000	S$'000	S$'000
ASSETS				
Non-Current				
Property, plant and equipment (Note a)	65,597	65,225	-	-
Investment properties	30,640	27,310	-	-
Subsidiaries	-	-	32,990	30,303
Intangible assets	2,040	2,040	-	-
	98,277	94,575	32,990	30,303
Current				
Properties for sale under development	162,836	88,814	-	-
Inventories	132	158	-	-
Short-term investments	-	283	-	-
Trade and other receivables	13,675	5,206	629	74
Amount due from a subsidiary	-	-	3	-
Project accounts with banks	23,732	8,155	-	-
Fixed deposits	5,670	4,677	-	-
Cash and cash equivalents	4,311	4,423	142	842
	210,356	111,716	774	916
Total assets	308,633	206,291	33,764	31,219
Equity				
Capital and reserves				
Share capital	9,190	8,600	9,190	8,600
Additional paid up share capital	1,924	-	1,924	-
Retained profits	44,559	25,268	22,606	22,605
	55,673	33,868	33,720	31,205
Minority interests	-	2,514	-	-
Total equity	55,673	36,382	33,720	31,205
Liabilities				
Non-Current				
Bank borrowings (secured)	155,397	131,024	-	-
Deferred income taxes	8,373	3,520	-	-
	163,770	134,544	-	-
Current				
Trade and other payables	16,116	6,851	44	14
Current tax payable	-	168	-	-
Bank borrowings (secured)	73,074	28,346	-	-
	89,190	35,365	44	14
Total Liabilities	252,960	169,909	44	14
Total equity & Liabilities	308,633	206,291	33,764	31,219

Note a: Property, plant and equipment includes a sum of S$63.7 million being the carrying amount of our hotel and office as at 31 December 2007. In the opinion of the directors, the market value of our hotel and office based on the professional valuation carried out by an independent valuer on 11 January 2008, on the basis of desktop valuation for existing use is S$309.3 million.

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

a. Amount repayable in one year or less, or on demand

31-Dec-07		31-Dec-06	
Secured S$'000	Unsecured S$'000	Secured S$'0000	Unsecured S$'000
73,074	-	28,346	-

b. Amount repayable after one year

31-Dec-07		31-Dec-06	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
155,397	-	131,024	-

c. Details of any collateral

The bank loans are secured by: -

(a) legal mortgage of the Group's investment properties;

(b) assignment of rental income from investment properties;

(c) proceeds from sale of investment properties;

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

(e) Freehold land and building;

(f) Properties for sale under development;

(g) Proceeds from sale of properties for sale under development

Roxy-Pacific
Holdings Limited

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

	Group	
	31-Dec-07	31-Dec-06
CASH FLOW FROM OPERATING ACTIVITIES	S$'000	S$'000
Profit before taxation	23,940	7,523
Adjustments for:		
Depreciation of property, plant and equipment	1,625	1,635
Interest expense	4,354	3,820
Interest income	(317)	(205)
Gain on revaluation of investment properties	(3,330)	-
Loss on disposal of property, plant and equipment	31	2
Profit from share of disposed subsidiary	-	(33)
Gain on sale of quoted investment	(50)	(55)
Operating profit before working capital changes	26,253	12,687
Decrease / (increase) in Inventories	25	(2)
Increase in operating receivables	(8,469)	(2,082)
Increase in operating payables	9,298	1,479
Increase in properties for sale under development	(74,022)	(57,653)
Cash used in operations	(46,915)	(45,571)
Interest received	317	205
Interest paid	(4,354)	(3,820)
Income tax paid	4	(32)
Net cash used in operating activities	(50,948)	(49,218)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(2,028)	(414)
Acquisition of quoted equity investment	-	(73)
Proceeds from sale of quoted equity investment	333	139
Proceeds from sale of subsidiary	-	164
Net cash used in investing activities	(1,695)	(184)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	69,101	60,716
Dividends paid	-	(4,800)
Dividends paid to minority shareholders of a subsidiary	-	(304)
Net cash generated from financing activities	69,101	55,612
Net increase in cash and cash equivalents	16,458	6,210
Cash and cash equivalents of a disposed subsidiary	-	(11)
Cash and cash equivalents of a written off subsidiary	-	(12)
Cash and cash equivalents at beginning of year	17,255	11,068
Cash and cash equivalents at end of year	33,713	17,255
Analysis of cash and cash equivalents		
Project accounts with banks	13,732	5,155
Fixed deposits in project accounts	10,000	3,000
Fixed deposits	5,670	4,677
Cash and bank balances	4,311	4,423
	33,713	17,255

Roxy-Pacific Holdings Limited

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

	Share capital	Additional paid up share capital	Revaluation reserve	Retained profits	Sub-total	Minority interests	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group							
Balance at 1 January 2006							
- as previously reported	8,600	-	1,612	22,784	32,996	2,753	35,749
- effect of changes in accounting policies	-	-	(1,612)	1,612	-	-	-
- as restated	8,600	-	-	24,396	32,996	2,753	35,749
Revaluation gain	-	-	-	1,141	1,141	96	1,237
Total income recognised directly in equity	-	-	-	1,141	1,141	96	1,237
Net profit for the year	-	-	-	4,840	4,840	345	5,185
Total recognised income and expense for the year	-	-	-	5,981	5,981	441	6,422
Reclassification of prior year's dividends paid to subsidiary's minority shareholders	-	-	-	187	187	(187)	-
Dividend paid to shareholders	-	-	-	(4,800)	(4,800)	-	(4,800)
Reclassified from deferred tax	-	-	-	-	-	(63)	(63)
Disposal of subsidiaries	-	-	-	-	-	(85)	(85)
Dividend paid to a subsidiary's	-	-	-	-	-	-	-
minority shareholders	-	-	-	-	-	(304)	(304)
Balance at 31 December 2006	8,600	-	-	25,764	34,364	2,555	36,919
Balance at 1 January 2007							
- as previously reported	8,600	-	2,753	23,011	34,364	2,555	36,919
- effect of changes in accounting policies							
Effects of FRS 40 - revaluation of investment properties	-	-	(2,753)	2,753	-	-	-
Effects of FRS 12 on revaluation gains transferred to retained earnings	-	-	-	(496)	(496)	(41)	(537)
- as restated	8,600	-	-	25,268	33,868	2,514	36,382
Net profit for the year	-		-	19,291	19,291	-	19,291
Total recognised income and expense 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 company	590	-	-	-	590	-	590
Adjustment to additional consideration for the additional interests in a subsidiary company *	-	1,924	-	-	1,924	-	1,924
Balance at 31 December 2007	9,190	1,924	-	44,559	55,673	-	55,673
Company							
Balance at 1 January 2006	8,600	-	-	24,180	32,780	-	32,780
Net profit for the year	-	-	-	3,225	3,225	-	3,225
Dividend	-	-	-	(4,800)	(4,800)	-	(4,800)
Balance at 31 December 2006	8,600	-	-	22,605	31,205	-	31,205
Balance at 1 January 2007	8,600	-	-	22,605	31,205	-	31,205
Net profit for the year	-	-	-	1	1	-	1
Issue of shares pursuant to acquisition of additional interests in a subsidiary company	590	-	-	-	590	-	590
Adjustment to additional consideration for the additional interests in a subsidiary company *	-	1,924	-	-	1,924	-	1,924
Balance at 31 December 2007	9,190	1,924	-	22,606	33,720	-	33,720

*** Please refer to Note 1 in paragraph 1(d)(ii) below.**

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

In FY2007, our Company made an application to the Singapore Exchange Securities Trading Limited ("SGX-ST") for permission to deal in and for quotation of all our shares already issued and the new shares which form part of the invitation (the "Invitation") as spelled out in our Prospectus dated 29 February 2008.

On 3 March 2007, our Company entered into a share swap agreement with all the minority shareholders (collectively the "Vendors") of its subsidiary company, Roxy-Pacific Developments Pte Ltd, to acquire from the Vendors their 2,123,133 shares of approximately 7.81% in Roxy-Pacific Developments Pte Ltd. The acquisition was completed on 17 December 2007 after receipt of the Eligibility-to-List Letter dated 12 December 2007 from the SGX-ST and paid by the issue of 3,265 new original shares before sub-division mentioned below (the "Original Shares") in our Company issued at approximately $180.71 per new Original Share.

The number of new Original Shares to be issued as consideration shares was determined on a willing buyer and seller basis. The issue price of such new Original Shares was at $180.71 which is arrived at by taking the share capital of our Company as at 31 December 2006 and divided by the number of Original Shares then issued and outstanding.

Following the issue and allotment of the 3,265 new Original Shares referred to in the above paragraph, the Company sub-divided each Original Share in our issued share capital into 10,000 Shares.

	Number of Original Shares / Shares	Paid-up Share Capital (S$)
Issued and fully paid Original Shares of $100 each as at 1 January and 31 December 2006	47,591	8,600,000
Issue and allotment of Original Shares fully paid pursuant to the share swap agreement	3,265	590,007
	50,856	9,190,007
Sub-division of each Original Share into 10,000 Shares on 17 December 2007	508,560,000	9,190,007
Share capital as at 31 December 2007	508,560,000	9,190,007

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At an extraordinary general meeting held on 17 December 2007, our Shareholders approved that authority be given to our Directors to issue 128,000,000 new shares which are the subject of the Invitation, on the basis that such new shares, when allotted, issued and fully paid, will rank pari passu in all respects with the existing issued and paid-up shares.

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

Our issued and paid-up capital immediately after the Invitation is as follows:

	Number of Original Shares / Shares	Paid-up Share Capital (S$)
Pre-Invitation issued and paid-up share capital	508,560,000	9,190,007
Issue and allotment of new shares pursuant to the Invitation on 11 March 2008	128,000,000	38,400,000
Fair value adjustment to the consideration paid to Vendors pursuant to the share swap agreement (Note 1)	-	1,923,652
Post-Invitation issued and paid-up share capital	636,560,000	49,513,659

Note 1: Subsequent to the issue and allotment of new shares on 11 March 2008, the Company made a fair value adjustment to the consideration paid to the Vendors from $180.71 to $769.88 per new Original Share issued to the Vendors. The revised consideration represents the attributable restated net asset value as at 31 December 2006 of its subsidiary company, Roxy-Pacific Developments Pte Ltd.

Roxy-Pacific
Holdings Limited

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

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

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

Not applicable.

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

Except for the adoption of various new/revised Financial Reporting Standards ("FRS") issued by the Accounting Standards Council ("ASC"), which took effect from 1 January 2007 as disclosed in paragraph 5, the accounting policies and methods of computation adopted are consistent with those applied in the audited financial statements for the year ended 31 December 2006.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The changes in accounting policies are made in compliance with the new/revised FRSs as mentioned in paragraph 4.

On 1 January 2007, the Group adopted the new or revised FRS and INT FRS that are mandatory for application on that date. This includes the following FRS and INT FRS, which are relevant to the Group:

FRS 1 (Amendment)	Presentation of Financial Statements – Capital Disclosures
FRS 40	Investment Property
FRS 107	Financial Instruments: Disclosures
INT FRS 107	Applying the Restatement Approach under FRS 29 Financial Reporting in Hyperinflationary Economies
INT FRS 108	Scope of FRS 102
INT FRS 109	Reassessment of Embedded Derivatives
INT FRS 110	Interim Financial Reporting and Impairment

There is no impact on the Group's financial statements, except as below.

Effect of Adopting FRS 40

In prior years, when an investment property was revalued, revaluation surpluses were taken to the asset revaluation reserve, unless they offset previous revaluation losses of the same investment that were taken to the income statement. Revaluation losses were taken to the asset revaluation reserve, to the extent that they offset previous revaluation surpluses of the same investment that were taken to the asset revaluation reserve.

In accordance with FRS 40, all revaluation gains and losses would now be taken directly to the income statement. All revised disclosure and presentation rules regarding investment properties have been applied retrospectively.

The following are the changes to the Balance Sheet as a result of the effects of adopting FRS 40.

	Group Year ended 31-Dec-06	
	As previously reported S$'000	As restated S$'000
Retained profits	23,011	25,268
Revaluation reserve	2,753	-
Deferred tax liability	2,982	3,520
Net asset value per ordinary share (cents)	7.26	7.15

Except as state above, 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.

Roxy-Pacific
Holdings Limited

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

		Year ended	
		31-Dec-07	**31-Dec-06**
Earnings per share for the financial year (Note 1)			
(a)	Based on the weighted average number of ordinary shares on issue (cents)	3.79	1.02
(b)	On fully diluted basis (cents)	3.79	1.02

Note 1: For comparative purposes, the basic and diluted earnings per share for the financial year ended 31 December 2007 and 31 December 2006 are computed based on profit after taxation and share capital of 508,560,000 shares

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-
- **(a) current financial period reported on; and**
- **(b) immediately preceding financial year**

	Group		**Company**	
		Restated		
	31-Dec-07	**31-Dec-06**	**31-Dec-07**	**31-Dec-06**
Net asset value per ordinary share (cents) (Note 2)	10.95	7.15	6.63	6.14

Note 2: For comparative purposes, the net asset value at the end of financial year ended 31 December 2007 and 31 December 2006 are computed based on the total net asset value of the Group and Company and share capital of 508,560,000 shares

Roxy-Pacific Holdings Limited

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Breakdown of Performance by Segments

GROUP	FY2007 $'000	FY2006 $'000	Change Increase/ (Decrease) %
REVENUE			
Property Development	64,197	17,965	257%
Hotel Ownership & Property Investment	38,510	30,848	25%
Total	102,707	48,813	110%
GROSS PROFIT			
Property Development	13,617	1,739	683%
Hotel Ownership & Property Investment	28,327	22,051	28%
Total	41,944	23,790	76%
GROSS PROFIT MARGIN (%)			
Property Development	21%	10%	
Hotel Ownership & Property Investment	74%	71%	
Total	41%	49%	
PROFIT BEFORE TAXATION			
Property Development	10,572	1,009	948%
Hotel Ownership & Property Investment	13,368	6,515	105%
	23,940	7,523	218%

(i) Revenue

Our Group achieved a record turnover of $102.7 million in FY2007, a 110% increase from $48.8 million in FY2006. The increase was the result of 257% increase in the revenue from Property Development and 25% increase in revenue from Hotel Ownership and Property Investment.

(a) Property Development

Revenue from our Property Development accounted for 62.5% of our Group's turnover in FY2007 as compared to 36.8% in FY2006.

In FY2007, revenue from Property Development jumped 257% from $18.0 million in FY2006 to $64.2 million in the current year. The increase was due to the progressive recognition of revenue from sales of 7 development projects in FY2007 namely The Nclave (30 units), The Treeline (34 units), The Montage (33 units), St. Patrick's Loft (37 units), Axis@Siglap (40 units), The Marque@Irawaddy (45 units) and The Medley (37 units). In FY2006, we recognized revenue from the sales from 3 development projects, namely Martia Residence (20 units), The Nclave (30 units) and The Treeline (34 units).

Roxy-Pacific Holdings Limited

(a) Property Development (cont'd)

The percentages of recognition of revenue from the sales of the above-mentioned projects are summarized as follow:

Project name	Sales (S$'000)	Percentage of Revenue Recognition For FY2007	as at 31-Dec-07
Martia Residence	13,436	0.0%	100.0%
The Nclave	18,991	69.4%	100.0%
The Treeline	23,340	77.0%	85.3%
The Montage	22,038	28.1%	28.1%
St. Patrick Loft	31,201	36.6%	36.6%
Axis@Siglap	30,277	22.5%	22.5%
The Marque@Irrawaddy	47,179	8.9%	8.9%
The Medley	34,386	12.9%	12.9%
	220,848		

(b) Hotel Ownership and Property Investment

Revenue from our Hotel Ownership and Property Investment segment accounted for 37.5% of our Group's turnover in FY2007, as compared to 63.2% in FY2006.

In FY2007, revenue from Hotel Ownership and Property Investment improved by 25% from $30.8 million in FY2006 to $38.5 million in the current year. The increase was mainly due to the improved occupancy and room rates in FY2007 at our Grand Mercure Roxy Hotel. The strong performance of the hotel during the financial year was in line with the overall hotel industry performance. Average occupancy rate (AOR) during the financial year was 92.5% versus 86.1% in the previous year. Average room rate (ARR) improved by 24% from $125.0 in the previous year to $154.4 this year. As a result, revenue per available room (RevPar) reported a 33% growth from $107.5 in the previous financial year ended 31 Dec 06 to $142.9 in the current year.

(ii) Cost of sales and gross profit

In line with the higher revenue achieved, direct cost of total revenue in the current financial year increased by $35.8 million or 143% from $25.0 million a year earlier to $60.8 million. Overall, our Group's gross profit increased by $18.1 million or 76% to $41.9 million in the current year from $23.8 million in the previous year. Our Group's gross profit margin for the financial year however, decreased by 8 percentage points from 49% in FY2006 to 41% in current year. The overall decrease was mainly due to a higher revenue contribution from our Property Development business which has a lower gross profit margin.

At the segmental level, Property Development contributed $13.6 million or 32% of the total gross profit, with the balance 68% contribution from Hotel Ownership and Property Investment. The gross profit margin for the Property Development improved by 11 percentage point to 21% from 10% a year earlier, mainly due to higher selling prices of property units. For Hotel Ownership and Property Investment, gross profit margin also improved by 3 percentage points to 74%, as compared to 71% in the previous year mainly due to improved ARR.

(iii) Profit before tax

In FY2007, profit before tax posted a year-on-year growth of $16.4 million or 219% to $23.9 million from $7.5 million in FY2006. The significant growth was driven mainly by higher contribution from Property Development, improved operating performance of our hotel & fair value gain on investment properties.

- **Other operating income**

Other operating income increased by $3.2 million from $0.6 million in FY2006 to $3.8 million in FY2007. The increase was mainly due to gain on revaluation of investment properties of $3.3 million in the current year.

- **Administrative expenses**

Administrative expenses in FY2007 increased by $3.0 million or 83% to $6.6 million from $3.6 million in FY2006. The increase was mainly due to higher credit card commission, higher payroll and related costs and provision for performance bonus to directors. The higher credit card commission was in line with the higher hotel revenue achieved. The higher payroll cost and bonus provision were in line with higher profitability of the Group.

- **Other operating expenses**

In FY2007, other operating expenses increased by $1.3 million to $9.4 million from $8.1 million in FY2006. The increase in current year was mainly due to higher costs incurred on replacement of hotel furniture, fittings and equipments and overall higher staff remuneration.

- **Finance cost**

Finance costs also increased by $534,000 from $3.8 million in FY2006 to $4.4 million in FY2007. The increase was mainly due to interest costs incurred on additional revolving loans drawn to meet our working capital requirement for our development projects.

(iv) Cash flow, working capital and Balance Sheet

Our non-current assets comprise property, plant and equipment, investment properties and intangible assets. Non-current assets totalled $98.3 million and represented 31.8% of our total assets as at 31 December 2007. Our property, plant and equipment amounted to $65.6 million. Property, plant and equipment are mainly the hotel, the freehold land on which our hotel is situated, hotel furniture and operating equipment as well as our office premise within Roxy Square. Based on the latest valuation done by an independent valuer in January 2008, the hotel and the office were valued at $307 million and $2.26 million respectively. Investment properties amounted to $30.6 million, an increase of $3.3 million from $27.3 million as at 31 December 2006, as a result of fair value gain. Investment properties are our 50 shop units within Roxy Square which are held as long-term investment.

Our current assets comprise mainly properties for sale under development, trade and other receivables and cash and cash equivalents. Current assets totalled $210.4 million and represented 68.2% of our total assets as at 31 December 2007. Properties for sale under development amounted to $162.8 million or 77.4% of total current assets as at 31 December 2007. Properties for sale under development comprised, for each of the projects under development, cost of development properties plus a portion of the attributable profit, net of progress billings. Cost of development properties includes land costs, construction costs plus capitalized interest and other related expenditures. Trade and other receivables totalled $13.7 million and comprises mainly the unbilled revenue of the recognised sales of our property units from Axis@Siglap, The Marque@Irrawaddy and The Nclave. As at 31 December 2007, project account with banks, fixed deposits and cash and cash equivalents amounted to $33.7 million.

Our non-current liabilities amounted to $163.8 million. Non-current liabilities comprised long-term bank borrowings due after 12 months of $155.4 million, which were mainly used to finance the development of our development properties and provision for deferred taxation of $8.4 million mainly in respect of the profits from both our property development and hotel operations.

Our current liabilities as at 31 December 2007 totalled $89.2 million, comprising mainly bank borrowings due within a year and trade and other payables. The increase in the total bank borrowings of $69.1 million or 43.4% from $159.4 million as at 31 December 2006 to $228.5 million as at 31 December 2007 was mainly due to the increase in land and construction loans as a result of more residential development projects and higher revolving working capital loans.

Roxy-Pacific Holdings Limited

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

Not applicable

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

Property Development

The Ministry of Trade and Industry (MTI) announced that the Singapore economy is expected to grow by 4.0 to 6.0 per cent in 2008. For 2007 as a whole, growth has reached an above-trend of 7.7 per cent. Based on the real estate statistics for the 4th Quarter 2007 released by Urban Redevelopment Authority (URA), the overall prices of private residential properties rose by 6.8% in the 4th Quarter 2007, compared with the 8.3% increase in the previous quarter. Looking forward, the current weakness in the financial and property markets brought on by the sub-prime problems in the US and tight credit environment has cast uncertainty in the business and economic conditions. Our directors remain optimistic about the Singapore property market and expect the property prices and transactions to remain fairly stable during FY2008.

The Group intends to launch eight residential projects with approximately 290 units in FY2008. These projects together with the current ongoing projects listed below are expected to contribute significantly to the Group's revenue and profits in FY2008.

Project name	**No. of Units Sold**	**Sales info**
The Treeline	34	100% Sold
The Montage	33	100% Sold
St. Patrick Loft	37	100% Sold
Axis@Siglap	40	100% Sold
The Marque@Irrawaddy	45	94% Sold
The Medley	37	100% Sold
	226	

Hotel operations

The outlook for the hotel sector remains good, given the rising demand for hotel rooms. On 31 January 2008, the Singapore Tourism Board released its 2008 targets to achieve S$15.5 billion in tourism receipts and attract 10.8 million visitor arrivals. 2008 was already starting on a strong note with the opening of Changi Airport Terminal 3, several inaugural major international events such as the Singapore Airshow, the opening of the Singapore Flyer and the upcoming 2008 Formula 1 Singapore Grand Prix.

As part of our ongoing upgrading, we have implemented various improvement and upgrading programs to our hotel. In FY2007, we commenced improvement and upgrading programs to create new meeting and function space as well as to upgrade our hotel restaurants. We have also added 19 hotel rooms in FY2007 bringing a total of 558 rooms in our hotel. Our directors expect revenue from our hotel to improve in FY2008 with the expected improvement in occupancy.

Barring any unforeseen circumstances, the directors expect the Group to be at least as profitable in FY2008 as in FY2007.

Roxy-Pacific
Holdings Limited

11. Dividend

(a) Current Financial Period Reported On

Name of Dividend	Proposed Final
Dividend Type	Cash (Ordinary)
Dividend Rate	1 cent per ordinary share
Tax Rate	Tax exempt (one-tier tax)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend Type	Cash (Ordinary)
Dividend Rate	12,607.43 cents per ordinary share
Tax Rate	20%
Date of Payment	20 December 2006

(c) Date payable

23 May 2008

(d) Books closure date

8 May 2008

12. If no dividend has been declared / recommended, a statement to that effect

Not applicable

Roxy-Pacific Holdings Limited

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently annual statements, with comparative information for the immediately preceding year.

	Property Development	Hotel Ownerhip and Property Investment	Eliminations	Group
	S$'000	S$'000	S$'000	S$'000
Year ended 31-Dec-2007				
Revenue	64,197	38,510	-	102,707
Segment results	12,244	15,733	-	27,977
Unallocated costs				-
Operating profit	12,244	15,733	-	27,977
Interest income				317
Interest expenses				(4,354)
Profit before tax				23,940
Income tax expense				(4,649)
Profit for the year				19,291
Year ended 31-Dec-2006				
Revenue	17,965	30,848	-	48,813
Segment results	1,972	9,166	-	11,138
Unallocated costs				
Operating profit	1,972	9,166	-	11,138
Interest income				205
Interest expenses				(3,820)
Profit before tax				7,523
Income tax expense				(2,338)
Profit for the year				5,185

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8 above.

Roxy-Pacific Holdings Limited

15. A breakdown of sales

		Group		
		FY2007	**FY2006**	**% Increase/ (decrease)**
		S$'000	S$'000	%
(a)	Sales reported for first half year	42,445	18,848	125.2
(b)	Operating profit after tax before deducting minority interests reported for the first half year	7,712	2,036	278.8
(c)	Sales reported for second half year	60,262	29,965	101.1
(d)	Operating profit after tax before deducting minority interests for second half year	11,579	3,149	267.7

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Total Annual Dividend	
	FY2007	FY2006
	S$	S$
Ordinary		
Interim Dividend	-	6,000,000
Proposed Final Dividend	6,365,600	-
Total	6,365,600	6,000,000

ON BEHALF OF THE BOARD
Koh Seng Geok
Director
19 March 2008