



**Roxy-Pacific
Holdings Limited**

ROXY-PACIFIC HOLDINGS LIMITED

**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2008**

The listing exercise of the Company was sponsored by Hong Leong Finance Limited (the “Issue Manager”). The Issue Manager assumes no responsibility for the contents of this Announcement.



FIRST QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

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

	Group		Change in % Increase / (Decrease) %
	Three months ended 31 March		
	2008 S\$'000	2007 S\$'000	
Revenue	23,388	16,500	42%
Cost of sales	(12,067)	(8,356)	44%
Gross profit	11,321	8,144	39%
Other operating income	75	127	-41%
Distribution expenses	(428)	(322)	33%
Administrative expenses	(1,757)	(1,283)	37%
Other operating expenses	(2,783)	(2,206)	26%
Other items	(197)	-	n/m
Finance costs	(1,094)	(1,036)	6%
Profit before tax	5,137	3,424	50%
Taxation	(989)	(732)	35%
Profit after taxation	4,148	2,692	54%

Profit before tax is arrived at after charging:

Allowance for doubtful debts and bad debts written off	6	6	-
Depreciation of property, plant & equipment	406	406	-
Interest on borrowings	1,094	1,036	6%
Loss on disposal of property, plant & equipment	5	2	150%
Directors' fees	39	-	n/m
Staff costs (including directors' remuneration)			
- salaries, wages and bonuses	2,845	2,131	34%
- contribution to defined contribution plans	214	165	30%
- other personnel expenses	277	217	28%
Share issue expenses	197	-	n/m

and crediting:

Foreign exchange gain	9	11	-21%
Gain on disposal of quoted equity investment	-	71	n/m
Interest income	58	72	-20%

n/m: Not meaningful



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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	
	31-Mar-08	31-Dec-07	31-Mar-08	31-Dec-07
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-Current				
Intangible assets	2,040	2,040	-	-
Property, plant and equipment	65,940	65,597	-	-
Subsidiaries	-	-	35,443	35,443
Investment properties	30,640	30,640	-	-
	98,620	98,277	35,443	35,443
Current				
Properties for sale under development	198,128	162,836	-	-
Inventories	128	132	-	-
Trade receivables	6,847	12,126	12	10
Other receivables	730	1,549	14	620
Amount due to a subsidiary	-	-	3	3
Project accounts	32,719	23,732	-	-
Fixed deposits	39,500	5,670	-	-
Cash and cash balances	8,485	4,311	37,390	142
	286,537	210,356	37,419	775
Total assets	385,157	308,633	72,862	36,218
Equity				
Capital and Reserves				
Share capital	45,475	9,190	45,475	9,190
Additional paid up share capital	1,924	1,924	1,924	1,924
Retained profits	48,707	44,559	22,457	22,606
	96,106	55,673	69,856	33,720
Liabilities				
Non-Current				
Bank loans (secured)	186,042	155,397	-	-
Deferred income taxes	8,557	8,373	-	-
	194,599	163,770	-	-
Current				
Trade payables	3,552	4,833	-	-
Other payables	9,161	11,283	1,293	44
Amount due to subsidiaries	-	-	1,713	2,454
Provision for taxation	802	-	-	-
Short-term bank loans (secured)	80,937	73,074	-	-
	94,452	89,190	3,006	2,498
Total equity & Liabilities	385,157	308,633	72,862	36,218



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

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

31-Mar-08	
Secured S\$'000	Unsecured S\$'000
80,937	-

31-Dec-07	
Secured S\$'0000	Unsecured S\$'000
73,074	-

b. Amount repayable after one year

31-Mar-08	
Secured S\$'000	Unsecured S\$'000
186,042	-

31-Dec-07	
Secured S\$'000	Unsecured S\$'000
155,397	-

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



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

	Three months ended	
	31 March	
	2008	2007
	S\$'000	S\$'000
Cash Flows from Operating Activities		
Profit before taxation	5,137	3,424
Adjustments for:		
Depreciation of property, plant and equipment	406	406
Interest expense	1,094	1,036
Interest income	(58)	(72)
Loss on disposal of property, plant and equipment	5	2
Gain on disposal of quoted equity investment	-	(71)
Loss on revaluation of quoted equity investment	-	24
Operating profit before working capital changes	6,584	4,749
Decrease in inventories	4	13
Decrease/(increase) in operating receivables	6,099	(371)
Decrease in operating payables	(3,406)	(42)
Increase in properties for sale under development	(35,292)	(7,390)
Cash used in operations	(26,011)	(3,041)
Interest received	58	72
Interest paid	(1,094)	(1,036)
Net cash used in operating activities	(27,047)	(4,005)
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(755)	(36)
Proceeds from sale of quoted equity investment	-	324
Net cash (used in)/generated from investing activities	(755)	288
Cash Flows from Financing Activities		
Proceeds from borrowings	38,508	7,527
Proceeds from Initial Public Offering, net	36,285	-
Net cash generated from financing activities	74,793	7,527
Net increase in cash and cash equivalents	46,991	3,810
Cash and cash equivalents at beginning of period	33,713	17,255
Cash and cash equivalents at end of period	80,704	21,065
Analysis of cash and cash equivalents		
Project accounts (Note 1)	14,719	9,516
Fixed deposits in project accounts (Note 1)	18,000	3,507
Fixed deposits	39,500	4,690
Cash and bank balances	8,485	3,352
	80,704	21,065

Note 1: 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.



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

	Share capital	Additional paid up share capital	Revaluation reserve	Retained profits	Sub-total	Minority interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group							
Balance at 1 January 2007							
- as previously reported	8,600	-	2,753	23,011	34,364	2,555	36,919
- effect of FRS 40 adjusted retrospectively	-	-	(2,753)	2,753	-	-	-
- effect 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 period	-	-	-	2,692	2,692	-	2,692
Total recognised income and expenses for the year	-	-	-	2,692	2,692	-	2,692
Balance at 31 March 2007	8,600	-	-	27,960	36,560	2,514	39,074
Balance at 1 January 2008	9,190	1,924	-	44,559	55,673	-	55,673
Net profit for the period	-	-	-	4,148	4,148	-	4,148
Total recognised income and expenses for the year	-	-	-	4,148	4,148	-	4,148
Issue of new shares (Initial Public Offering)	38,400	-	-	-	38,400	-	38,400
Share issue expenses	(2,115)	-	-	-	(2,115)	-	(2,115)
Balance at 31 March 2008	45,475	1,924	-	48,707	96,106	-	96,106
Company							
Balance at 1 January 2007	8,600	-	-	22,605	31,205	-	31,205
Net (loss) for the period	-	-	-	(3)	(3)	-	(3)
Balance at 31 March 2007	8,600	-	-	22,602	31,202	-	31,202
Balance at 1 January 2008	9,190	1,924	-	22,606	33,720	-	33,720
Net (loss) for the period	-	-	-	(149)	(149)	-	(149)
Total recognised income and expenses for the year	-	-	-	(149)	(149)	-	(149)
Issue of new shares (Initial Public Offering)	38,400	-	-	-	38,400	-	38,400
Share issue expenses	(2,115)	-	-	-	(2,115)	-	(2,115)
Balance at 31 March 2008	45,475	1,924	-	22,457	69,856	-	69,856



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

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 is as follows:

	Number of Original Shares / Shares	Paid-up Share Capital (S\$'000)
Balance as at 1 January 2008	508,560,000	9,190
Issue and allotment of new shares pursuant to the Initial Public Offering	128,000,000	38,400
Share issue expenses	-	(2,115)
Balance as at 31 March 2008	<u>636,560,000</u>	<u>45,475</u>

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements as at 31 December 2007.

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

Not applicable

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

	Group Three months ended 31 March	
	2008	2007
Earnings per share for the financial period (Note 1)		
(a) Based on the weighted average number of ordinary shares on issue (cents)	0.77	0.50
(b) On fully diluted basis (cents)	0.77	0.50

Note 1: For comparative purposes, the basic and diluted earnings per share for the financial period ended 31 March 2008 and 31 March 2007 are computed based on profit after taxation and weighted average number of ordinary shares of 535,285,275.



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	
	31-Mar-08	31-Dec-07	31-Mar-08	31-Dec-07
Net asset value per ordinary share based on total issued 636,560,000 ordinary shares as at 31 March 2008 (508,560,000 ordinary shares as at 31 December 2007)	15.10	10.95	10.97	6.63

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	Three months ended 31 March		Change Increase/ (Decrease) %
	2008 \$'000	2007 \$'000	
<u>REVENUE</u>			
Property Development	11,391 49%	7,731 47%	47%
Hotel Ownership & Property Investment	11,997 51%	8,769 53%	37%
<i>Total</i>	<u>23,388 100%</u>	<u>16,500 100%</u>	42%
<u>GROSS PROFIT</u>			
Property Development	2,345 21%	1,642 20%	43%
Hotel Ownership & Property Investment	8,976 79%	6,502 80%	38%
<i>Total</i>	<u>11,321 100%</u>	<u>8,144 100%</u>	39%
<u>GROSS PROFIT MARGIN (%)</u>			
Property Development	21%	21%	
Hotel Ownership & Property Investment	75%	74%	
<i>Total</i>	48%	49%	
<u>PROFIT BEFORE TAXATION</u>			
Property Development	1,254 24%	1,253 37%	0%
Hotel Ownership & Property Investment	3,883 76%	2,171 63%	79%
<i>Total</i>	<u>5,137 100%</u>	<u>3,424 100%</u>	50%



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(i) Revenue

Our Group turnover for the 1Q2008 reported a 42% increase to \$23.4 million from \$16.5 million in 1Q2007. The increase was the result of 47% increase in the revenue from Property Development and 37% increase in revenue from Hotel Ownership and Property Investment.

(a) Property Development

Revenue from our Property Development accounted for 49% of our Group's turnover in 1Q2008 as compared to 47% in 1Q2007.

In 1Q2008, revenue from Property Development jumped 47% from \$7.7 million in 1Q2007 to \$11.4 million in the current quarter. The revenue recognised in the current quarter was derived from 6 development projects namely The Treeline, The Montage, St. Patrick's Loft, Axis@Siglap, The Marque@Irrawaddy and The Medley. In 1Q2007, we recognized revenue from the sales from 2 development projects, namely The Nclave and The Treeline. Temporary Occupation Permit for The Treeline was obtained in April 2008.

(b) Hotel Ownership and Property Investment

Revenue from our Hotel Ownership and Property Investment segment accounted for 51% of our Group's turnover in 1Q2008, as compared to 53% in 1Q2007.

In 1Q2008, revenue from Hotel Ownership and Property Investment improved by 37% from \$8.8 million in 1Q2007 to \$12.0 million in the current quarter. The increase was mainly due to the improved room rates in 1Q2008 at our Grand Mercure Roxy Hotel. The strong performance of the hotel during the quarter was in line with the overall hotel industry performance. Our hotel's average occupancy rate (AOR) declined from 89.02% in 1Q2007 to 86.37% in 1Q2008. However, average room rate (ARR) improved by 39% from \$146.64 in 1Q2007 to \$203.81 this quarter. As a result, revenue per available room (RevPar) reported a 35% growth from \$130.54 in 1Q2007 to \$176.04 in the current quarter.

(ii) Cost of sales and gross profit

In line with the higher revenue achieved, direct cost of total revenue in 1Q2008 increased by \$3.7m or 44% from \$8.4 million in 1Q2007 to \$12.1 million. During the quarter, our Group's gross profit increased by \$3.2 million or 39% to \$11.3 million in the current quarter from \$8.1 million in 1Q2007. Overall, our Group's gross profit margin decreased marginally by 1 percentage point from 49% in 1Q2007 to 48% in current quarter. 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 \$2.3 million or 21% of the total gross profit, with the balance 79% contribution from Hotel Ownership and Property Investment. The gross profit margin for the Property Development remains at 21%. For Hotel Ownership and Property Investment, gross profit margin improved by 1 percentage point to 75%, as compared to 74% in 1Q2007 mainly due to improved ARR.

(iii) Profit before tax

Our Group overall expenses increased by \$1.5 million from \$4.8 million in 1Q2007 to \$6.3 million in 1Q2008 mainly because of the following main reasons:

- Higher overall payroll costs and higher management fees payable to hotel operator, which were in line with higher turnover & profitability of the Group
- Increase in operating expenses such as utilities costs, credit card commission and replacement of hotel furniture, fittings and equipments

In 1Q2008, our Group's profit before tax improved by \$1.7 million or 50% to \$5.1 million from \$3.4 million in 1Q2007.



(iv) Cashflow, working capital and Balance Sheet

Our current assets comprise mainly properties for sale under development, trade and other receivables and cash and cash equivalents. As at 31 March 2008, the Group's current assets totalled \$286.5 million and represented 74% of our total assets as at 31 March 2008. Properties for sale under development amounted to \$198.1 million or 69% of total current assets as at 31 March 2008. Trade and other receivables totalled \$7.6 million and comprise mainly receivables from hotel operations and the unbilled revenue of the recognised sales of our property units in The Nclave. As at 31 March 2008, project account with banks, fixed deposits and cash and bank balances amounted to \$80.7 million. The increased in the fixed deposits and cash and bank balances of \$39.9 million was mainly due to the net proceeds from the issuance of shares of \$36.3 million following the Company's admission to the Official List of the SGX-ST on 12 March 2008.

As at 31 March 2008, the Group's total borrowings amounted to \$267.0 million with \$80.9 million repayable with one year and \$186.1 million repayable beyond one year. The increased in the borrowing was due to the increase in land and construction loans as a result of more residential development projects and higher revolving working capital loans.

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 Group currently has the following portfolio of development properties which has commenced construction.

Project name	No. of Units	Percentage sold as at 30 April 2008
The Treeline (TOP obtained in April 2008)	34	100%
The Montage	33	100%
St. Patrick's Loft	37	100%
Axis@Siglap	40	100%
The Marque@Irrawaddy	48	96%
The Medley	37	100%
	229	

During the 1st quarter in 2008, our Group launched 4 of its development properties.

Project name	No. of Units
The Ambrosia	39
The Verte	36
The Azzuro	15
The Adara	16
	106

The above 4 projects together with the current 6 ongoing projects are expected to contribute significantly to the Group's revenue and profits in FY2008.



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Hotel Ownership

The outlook for the hotel sector remains good, given the rising demand and improvement in the room rates for hotel rooms. Our directors expect revenue from our hotel to improve in FY2008 with the expected improvement in RevPar.

Barring any unforeseen circumstances, the directors remain cautiously optimistic on its profits outlook for the remainder of the current financial year ended 2008 in the light of the current uncertain global economic situation.

11. Dividend

(a) *Current Financial Period Reported On*

Any dividend declared for the current financial period reported on? None

(b) *Corresponding Period of the Immediately Preceding Financial Year*

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) *Date payable*

Not applicable

(d) *Books closure date*

Not applicable

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

No dividend is declared for the 1st quarter ended 31 March 2008

ON BEHALF OF THE BOARD

Koh Seng Geok
Executive Director
8 May 2008



**Roxy-Pacific
Holdings Limited**

CONFIRMATION PURSUANT TO RULE 705 (4) OF THE LISTING MANUAL

We confirm on behalf of the Board of Directors that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company for the 3 months ended 31 March 2008 to be false or misleading in any material respect.

ON BEHALF OF THE BOARD

Teo Hong Lim
Chairman & CEO

Koh Seng Geok
Executive Director

8 May 2008
Singapore