Roxy-Pacific Holdings Limited

ROXY-PACIFIC HOLDINGS LIMITED

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THREE MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2009

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.

Roxy-Pacific Holdings Limited

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2009

TABLE OF CONTENTS

Roxy-Pacific Holdings Limited

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2009

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 First quarter ended 31 Mar		Change Increase / (Decrease)
	2009 $'000	2008 $'000	%
Revenue	**38,064**	23,388	63%
Cost of sales	**(24,217)**	(12,067)	101%
Gross profit	**13,847**	11,321	22%
Other operating income	**163**	75	117%
Distribution costs	**(336)**	(428)	(21%)
Administrative expenses	**(2,171)**	(1,954)	11%
Other operating expenses	**(2,784)**	(2,783)	-
Finance costs	**(873)**	(1,094)	(20%)
Profit before taxation	**7,846**	5,137	53%
Taxation	**(1,482)**	(989)	50%
Profit after taxation attributable to shareholders of the Company	**6,364**	4,148	53%
Profit before tax is arrived at after charging:			
Depreciation of property, plant & equipment	**488**	406	20%
Directors' fees	**35**	39	(10%)
Interest on borrowings	**873**	1,094	(20%)
Loss on disposal of property, plant & equipment	**-**	5	n/m
Staff costs (including directors' remuneration)			
- salaries, wages and bonuses	**3,127**	2,845	10%
- contribution to defined contribution plans	**214**	214	-
- other personnel expenses	**274**	277	(1%)
Share issue expenses	**-**	197	n/m
Allowance for doubtful debts	**6**	6	-
and crediting:			
Income from hotel money exchange operations	**11**	9	22%
Interest income	**86**	58	48%

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	
	31-Mar-09	**31-Dec-08**	**31-Mar-09**	**31-Dec-08**
	$'000	**$'000**	**$'000**	**$'000**
Assets				
Non-Current				
Intangible assets	**1,672**	1,672	**-**	-
Property, plant and equipment	**65,472**	65,958	**-**	-
Subsidiaries	-	-	**36,443**	36,443
Investment properties	**32,428**	32,428	**-**	-
	99,572	100,058	**36,443**	36,443
Current				
Properties for sale under development	**168,437**	186,106	**-**	-
Inventories	**134**	133	**-**	-
Trade receivables	**18,171**	11,164	**2**	19
Other receivables	**1,441**	997	**41**	73
Amount due from subsidiaries	**-**	-	**14,732**	13,740
Project accounts	**69,396**	61,759	**-**	-
Fixed deposits	**39,949**	39,859	**23,355**	23,270
Cash and bank balances	**9,464**	10,130	**238**	262
	306,992	310,148	**38,368**	37,364
Total assets	**406,564**	410,206	**74,811**	73,807
Equity				
Capital and reserves				
Share capital	**47,399**	47,399	**47,399**	47,399
Retained profits	**69,248**	62,884	**23,158**	23,047
Total equity	**116,647**	110,283	**70,557**	70,446
Liabilities				
Non-Current				
Bank borrowings (secured)	**170,895**	181,527	**-**	-
Deferred income taxes	**8,769**	10,665	**-**	-
	179,664	192,192	**-**	-
Current				
Trade payables	**6,393**	4,793	**58**	12
Other payables	**13,876**	14,666	**4,047**	3,250
Provision for taxation	**6,258**	3,088	**149**	99
Bank borrowings (secured)	**83,726**	85,184	**-**	-
	110,253	107,731	**4,254**	3,361
Total equity and liabilities	**406,564**	410,206	**74,811**	73,807

Roxy-Pacific Holdings Limited

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

	31-Mar-09		31-Dec-08	
	Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
Amount repayable in one year or less, or on demand	**83,726** *	-	85,184	-
Amount repayable after one year	**170,895**	-	181,527	-
	254,621	**-**	266,711	**-**

Details of collaterals

The bank loans are secured by:

a) investment properties;

b) 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;

h) proceeds from sale of properties for sale under development

* $59.5 million of the debts relates to our development projects expected to TOP in FY2009 which are substantially sold as at 31 March 2009.

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

	First quarter ended 31 Mar	
	2009	2008
	$'000	$'000
Cash Flows from Operating Activities		
Profit before taxation	**7,846**	5,137
Adjustments for:		
Depreciation of property, plant and equipment	**488**	406
Interest expense	**873**	1,094
Interest income	**(86)**	(58)
Loss on disposal of property, plant and equipment	**-**	5
Operating profit before working capital changes	**9,121**	6,584
(Increase)/decrease in inventories	**(1)**	4
(Increase)/decrease in operating receivables	**(7,451)**	6,099
Increase/(decrease) in operating payables	**810**	(3,406)
Decrease/(increase) in properties for sale under development	**17,669**	(35,292)
Cash generated from/(used in) operations	**20,148**	(26,011)
Interest paid	**(873)**	(1,094)
Income tax paid	**(208)**	-
Net cash generated from/(used in) operating activities	**19,067**	(27,105)
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	**(2)**	(755)
Interest received	**86**	58
Net cash generated from/(used in) investing activities	**84**	(697)
Cash Flows from Financing Activities		
(Repayment) / proceeds from borrowings , net	**(12,090)**	38,508
Fixed deposit pledged to financial institutions	**-**	(406)
Proceeds from Initial Public Offering, net	**-**	36,285
Net cash (used in)/generated from financing activities	**(12,090)**	74,387
Net increase in cash and cash equivalents	**7,061**	46,585
Cash and cash equivalents at beginning of period	**111,087**	33,713
Cash and cash equivalents at end of period	**118,148**	80,298
Analysis of cash and cash equivalents		
Project accounts (Note 1)	**19,696**	14,719
Fixed deposits in project accounts (Note 1)	**49,700**	18,000
Fixed deposits	**39,949**	39,500
Cash and bank balances	**9,464**	8,485
Less: Fixed deposit pledged to financial institutions	**(661)**	(406)
	118,148	80,298

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.

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	Retained profits	Total equity attributable to the equity holders of the parent
	$'000	$'000	$'000
Group			
Balance at 1 January 2008	11,114	44,559	55,673
Net profit for the period	-	4,148	4,148
Total recognised income for the period	-	4,148	4,148
Issue of new shares (Initial Public Offering)	38,400	-	38,400
Share issue expenses	(2,115)	-	(2,115)
Balance at 31 March 2008	47,399	48,707	96,106
Balance at 1 January 2009	47,399	62,884	110,283
Net profit for the period	-	6,364	6,364
Total recognised income for the period	-	6,364	6,364
Balance at 31 March 2009	**47,399**	**69,248**	**116,647**

	Share capital	Retained profits	Total equity attributable to the equity holders of the parent
Company			
Balance at 1 January 2008	11,114	22,606	33,720
Net (loss) for the period	-	(149)	(149)
Total recognised expenses for the period	-	(149)	(149)
Issue of new shares (Initial Public Offering)	38,400	-	38,400
Share issue expenses	(2,115)	-	(2,115)
Balance at 31 March 2008	47,399	22,457	69,856
Balance at 1 January 2009	47,399	23,047	70,446
Net profit for the period	-	111	111
Total recognised income for the period	-	111	111
Balance at 31 March 2009	**47,399**	**23,158**	**70,557**

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

Our issued and paid-up capital is as follows:

	Number of Original Shares / Shares	**Paid-up Share Capital $'000**
Balance as at 1 January 2008	508,560,000	11,114
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	636,560,000	47,399
Balance as at 1 January 2009 and 31 March 2009	**636,560,000**	**47,399**

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31-Mar-09	**As at 31-Dec-08**
Total number of issued shares excluding treasury shares	**636,560,000**	636,560,000

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

Not applicable

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

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

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

Not applicable.

Roxy-Pacific Holdings Limited

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 2008.

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

Not applicable

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

	First quarter ended 31 Mar	
	2009	**2008**
Earnings per share for the financial period		
(a) Based on the weighted average number of ordinary shares on issue (cents)	1.00	0.77
(b) On fully diluted basis (cents)	1.00	0.77
Profit attributable to shareholders of the Company ($'000)	6,364	4,148
Weighted average number of shares	636,560,000	536,691,868

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

	Group		**Company**	
	31-Mar-09	**31-Dec-08**	**31-Mar-09**	**31-Dec-08**
Net asset value per ordinary share based on total issued 636,560,000 ordinary shares as at 31 March 2009 (636,560,000 ordinary shares as at 31 December 2008) (cents)	18.32 *	17.32	11.08	11.07

* The market value of our Grand Mercure Roxy Hotel and office premise was estimated to be $278.4 million based on the valuation carried out by an independent valuer on 31 December 2008, on an open market value and existing use basis. If our Grand Mercure Roxy Hotel and office premise had been included in the financial statements at valuation, the adjusted net asset value per ordinary share as at 31 March 2009 would have been 51.77 cents at Group level.

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 First quarter ended 31 Mar				Change Increase/ (Decrease)
GROUP	**2009 $'000**		**2008 $'000**		
REVENUE					
Property Development	**27,772**	73%	11,391	49%	144%
Hotel Ownership	**9,946**	26%	11,692	50%	-15%
Property Investment	**346**	1%	305	1%	13%
	38,064	100%	23,388	100%	63%
GROSS PROFIT					
Property Development	**6,677**	48%	2,345	21%	185%
Hotel Ownership	**6,824**	49%	8,671	76%	-21%
Property Investment	**346**	3%	305	3%	13%
	13,847	100%	11,321	100%	22%
GROSS PROFIT MARGIN (%)					
Property Development	**24%**		21%		
Hotel Ownership	**69%**		74%		
Property Investment	**100%**		100%		
Total	***36%***		*48%*		
PROFIT BEFORE TAXATION					
Property Development	**5,021**	64%	1,254	24%	300%
Hotel Ownership and Property investment	**2,825**	36%	3,883	76%	-27%
	7,846	100%	5,137	100%	53%

(i) Revenue

For the financial period ended 31 March 2009, our Group's turnover increased by 63% to $38.1 million from $23.4 million in Q1FY2008. The increase was the result of a 144% rise in the revenue from our Property Development segment and 13% increase in revenue from Property Investment segment. Revenue from Hotel Ownership segment however reported a decrease in revenue of 15%.

(a) Property Development

Revenue from our Property Development segment accounted for 73% of our Group's turnover in Q1FY2009 as compared to 49% in Q1FY2008.

In Q1FY2009, revenue from our Property Development segment jumped 144% from $11.4 million to $27.8 million in the current quarter. This was mainly the result of progressive recognition of revenue from our 5 development projects namely The Montage, Axis@Siglap, The Marque@Irrawaddy, The Medley and The Ambra.

In Q1FY2009, we obtained Temporary Occupation Permit ("TOP") for one of our projects, Axis@Siglap, in January 2009.

(b) Hotel Ownership and Property Investment

Revenue from our Hotel Ownership and Property Investment segment accounted for 27% of our Group's turnover in Q1FY2009. It accounted for 51% of the Group's turnover in Q1FY2008.

In Q1FY2009, revenue from our Hotel Ownership segment decreased by 15% or $1.8 million from $11.7 million in Q1FY2008 to $9.9 million in Q1FY2009. The decrease in revenue was mainly due to the decline of both our average occupancy rate (AOR) and average room rate (ARR) in Q1FY2009 at our Grand Mercure Roxy Hotel. The decline was in line with the overall hotel industry performance. Our hotel's AOR declined from 86.4% in Q1FY2008 to 82.4% in Q1FY2009. Its ARR declined by 17.9% from $203.8 in Q1FY2008 to $167.2 in Q1FY2009. As a result, revenue per available room (RevPar) decreased by 21.7% from $176.0 in Q1FY2008 to $137.8 in the current quarter.

Revenue from our Property Investment segment improved by 13% for the current quarter compared to Q1FY2008. The increase was mainly the result of an increase in rental yield from the renewal of lease for some of our shop units since the second half of the last financial year.

(ii) Cost of sales and gross profit

In line with the higher revenue achieved, direct cost of total revenue in Q1FY2009 increased by $12.1 million or 101% from $12.1 million in Q1FY2008 to $24.2 million in Q1FY2009.

During the quarter, gross profit from our Property Development segment contributed $6.7 million or 48% of the total gross profit of the Group, with the balance 52% or $7.2 million contributed from our Hotel Ownership and Property Investment segments. The gross profit margin for our Property Development segment improved from 21% in the Q1FY2008 to 24% in the current quarter, mainly due to recognition of more profitable development properties as compared to the previous corresponding quarter. The gross profit margin of our Hotel Ownership segment decreased from 74% in Q1FY2008 to 69% in the current quarter. The decrease was mainly due to decrease in hotel room revenue from the business individual segment of our hotel.

Overall, our Group's gross profit margin in Q1FY2009 decreased by 12 percentage points from 48% in Q1FY2008 to 36% in Q1FY2009. The overall decrease was mainly due to a higher revenue contribution from our Property Development segment which has a lower gross profit margin and lower gross profit margin from the Hotel Ownership in the current quarter.

(iii) Profit before tax

Our Group's overall expenses decreased by $0.1 million in Q1FY2009 as compared to in Q1FY2008. This was mainly due to the decrease in finance costs as a result of lower bank borrowings and lower interest rate charged by financial institutions, partially offset by higher bonus provision as a result of higher profit in the current quarter and increase in depreciation charge mainly due to additions of property, plant and equipment.

Our Group's profit before taxation improved by $2.7 million or 53% to $7.8 million in the current quarter ended 31 March 2009.

(iv) Cashflow, working capital and Balance Sheet

Our current assets comprise mainly properties for sale under development, trade and other receivables and cash and bank balances. As at 31 March 2009, our Group's current assets totalled $307.0 million and represented 76% of our total assets. Properties for sale under development amounted to $168.4 million or 55% of total current assets as at 31 March 2009. The decrease in properties for sale under development was mainly due to TOP obtained for one of our projects, Axis@Siglap, in January 2009. Trade and other receivables totalled $19.6 million and comprise mainly progress payments receivable from purchasers for projects under construction and the unbilled revenue portion of the recognised sales from our completed projects, Axis@Siglap, The Treeline and St. Patrick's Loft. As at 31 March 2009, project accounts, fixed deposits and cash and bank balances amounted to $118.8 million.

The Group recorded a net cash inflow from operating activities of $19.1 million for the current quarter, as compared with net cash outflows of $27.1 million in the corresponding period last year. The improvement in cashflows from operating activities was mainly due to the decrease in properties for sale under development, which in turn was mainly due to the TOP of our projects and progress payments received from our development projects.

As at 31 March 2009, the Group's total borrowings amounted to $254.6 million with $83.7 million repayable within one year and $170.9 million repayable beyond one year. Of the $83.7 million borrowings repayable within one year, $59.5 million of the borrowings relates to our development projects expected to TOP in FY2009 which are substantially sold. The decrease in the borrowings was due to the repayment of land and construction loans for Axis@Siglap which has obtained TOP in Q1FY2009.

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

The Group's performance for the period under review is in line with its expectations as disclosed in the announcement of results for the full financial year ended 31 December 2008.

Roxy-Pacific Holdings Limited

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 Singapore economy has been projected to contract by 6% to 9% in 2009, lower than the earlier forecast of 2% to 5% contraction. On a seasonally adjusted annualised basis, real GDP contracted by 19.7% compared to the previous quarter.

Based on the real estate statistics released by Urban Redevelopment Authority (URA), prices of private homes dived 14.1% in 1st quarter this year, compared with the decline of 6.1% in the last quarter of last year. However, sales of new homes in the 1st quarter were a robust 2,596 units, mainly driven by pent-up demand, price cuts and innovative product packaging.

In Singapore, buying sentiment will continue to remain cautious for the remainder of 2009.

As of 27 April 2009, our Group has total pre-sale revenue amounting to $386.0 million from the following projects, of which only $71.0 million have been recognised as of 31 March 2009:

Project name	**No. of Units in the projects**	**Unit sold**	**Sale value ($'m)**
The Montage	33	33	22.0
The Marque@Irrawaddy	48	47	50.7
The Medley	37	37	34.4
The Ambrosia	39	39	55.1
The Verte	36	32	45.4
The Azzuro	15	14	10.6
The Adara	16	15	14.4
The Ambra	25	25	21.2
The Florentine	34	34	30.8
The Lucent	42	42	39.5
Nova 88	88	54	39.2
Nova 48	48	26	22.7
	461	398	386.0

The balance amount of pre-sale revenue, ie. $315.0 million will be progressively recognised from Q2FY2009 to FY2011. Our Group expects its earning in 2009 to continue to benefit from revenue recognition from its pre-sale revenue.

Roxy-Pacific Holdings Limited

Hotel Ownership

The Singapore Tourism Board estimates there will be between 9 and 9.5 million visitor arrivals to Singapore this year – an annual drop of between 6% and 11%. According to its latest tourism statistics released on 23 April 2009, visitor arrivals to Singapore reach 790,000 in March 2009, registering a decline of 13.2% compared to March 2008.

On 29 April 2009, the World Health Organisation (WHO) raised its pandemic alert for swine flu to the second highest level, meaning that it believes a global outbreak of the disease is imminent. A further raised alert could prompt the WHO to issue travel advisories, warning against travel to regions battling outbreaks. Trade could be restricted, sports events and concerts could be cancelled and borders could be closed. Such developments could potentially result in a world-wide decrease in travelling and in turn, a further decline in the number of visitors to Singapore in 2009.

With the expected decline in visitor arrivals, our Group anticipates a challenging outlook for the hotel sector in the remainder of 2009.

Outlook

We believe that our strong pre-sale revenue, healthy balance sheet as well as good cashflow position will support us well as we navigate through the difficult times ahead. Barring any unforeseen circumstances, the directors remain cautiously optimistic on its profits outlook for 2009.

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

Roxy-Pacific
Holdings Limited

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

Not applicable

ON BEHALF OF THE BOARD
Koh Seng Geok
Executive Director

8 May 2009

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 three months ended 31 March 2009 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 2009
Singapore