Roxy-Pacific
Holdings Limited

ROXY-PACIFIC HOLDINGS LIMITED

UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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.

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

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

	Second quarter ended 30 June		Change Increase / (Decrease)	Half year ended 30 June		Change Increase / (Decrease)
	2009 $'000	2008 $'000	%	2009 $'000	2008 $'000	%
Revenue	**43,717**	41,748	5%	**81,781**	65,136	26%
Cost of sales	**(27,606)**	(25,570)	8%	**(51,823)**	(37,637)	38%
Gross profit	**16,111**	16,178	0%	**29,958**	27,499	9%
Other operating income	**91**	215	-58%	**254**	290	-12%
Distribution costs	**(337)**	(391)	-14%	**(673)**	(819)	-18%
Administrative expenses	**(2,074)**	(2,432)	-15%	**(4,245)**	(4,386)	-3%
Other operating expenses	**(2,259)**	(3,056)	-26%	**(5,043)**	(5,839)	-14%
Finance costs	**(949)**	(1,057)	-10%	**(1,822)**	(2,151)	-15%
Profit before taxation before fair value gain	**10,583**	9,457	12%	**18,429**	14,594	26%
Fair value gain on investment properties	**-**	2,303	-100%	**-**	2,303	-100%
Pre-tax profit	**10,583**	11,760	-10%	**18,429**	16,897	9%
Taxation	**(1,200)**	(2,809)	-57%	**(2,682)**	(3,798)	-29%
Net profit	**9,383**	8,951	5%	**15,747**	13,099	20%
Other comprehensive income, net of tax	**-**	-	-	**-**	-	-
Total comprehensive income attributable to shareholders of the Company	**9,383**	8,951	5%	**15,747**	13,099	20%
Total comprehensive income is arrived at after charging:						
Allowance for doubtful debts and bad debts written off	**7**	6	17%	**13**	12	8%
Depreciation of property, plant & equipment	**489**	501	-2%	**977**	907	8%
Directors' fees	**36**	38	-5%	**71**	77	-8%
Interest on borrowings	**949**	1,057	-10%	**1,822**	2,151	-15%
Loss on disposal of property, plant & equipment	**-**	-	-	**-**	5	n/m
Staff costs (including directors' remuneration)						
- salaries, wages and bonuses	**3,135**	3,582	-12%	**6,396**	6,427	0%
- contribution to defined contribution plans	**183**	210	-13%	**397**	424	-6%
- other personnel expenses	**242**	241	0%	**516**	518	0%
Share issue expenses	**-**	-	-	**-**	197	n/m
and crediting:						
Fair value gain on investment properties	**-**	2,303	n/m	**-**	2,303	n/m
Government grant - jobs credit scheme	**138**	-	n/m	**272**	-	n/m
Income from hotel money exchange operations	**8**	12	-33%	**19**	21	-10%
Interest income	**60**	114	-47%	**146**	172	-15%
Writeback of allowance for foreseeable losses on properties for sale under development	**500**	-	n/m	**500**	-	n/m

n/m: Not meaningful

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

	Group		Company	
	30 June 09	31 Dec 08	**30 June 09**	31 Dec 08
	$'000	$'000	**$'000**	$'000
Assets				
Non-Current				
Intangible assets	**1,672**	1,672	**-**	-
Property, plant and equipment	**65,236**	65,958	**-**	-
Subsidiaries	**-**	-	**36,443**	36,443
Investment properties	**32,428**	32,428	**-**	-
	99,336	100,058	**36,443**	36,443
Current				
Properties for sale under development	**148,111**	186,106	**-**	-
Inventories	**133**	133	**-**	-
Trade receivables	**22,088**	11,164	**5**	19
Other receivables	**4,116**	997	**33**	73
Amount due from subsidiaries	**-**	-	**14,667**	13,740
Project accounts	**77,709**	61,759	**-**	-
Fixed deposits	**31,262**	39,859	**21,229**	23,270
Cash and bank balances	**17,859**	10,130	**295**	262
	301,278	310,148	**36,229**	37,364
Total assets	**400,614**	410,206	**72,672**	73,807
Equity				
Capital and reserves				
Share capital	**47,399**	47,399	**47,399**	47,399
Retained profits	**73,857**	62,884	**23,069**	23,047
Total equity	**121,256**	110,283	**70,468**	70,446
Liabilities				
Non-Current				
Bank borrowings (secured) (Note 1)	**70,744**	71,554	**-**	-
Deferred income taxes	**9,869**	10,665	**-**	-
	80,613	82,219	**-**	-
Current				
Trade payables	**7,228**	4,793	**80**	12
Other payables	**12,858**	14,666	**2,044**	3,250
Provision for taxation	**5,144**	3,088	**80**	99
Bank borrowings (secured) (Note 1)	**173,515**	195,157	**-**	-
	198,745	217,704	**2,204**	3,361
Total equity and liabilities	**400,614**	410,206	**72,672**	73,807

Note 1: Certain comparative figures in the statement of financial position have been adjusted to conform to changes in presentation in the current financial period to reflect more relevant information about the Group's financial position. The following are the adjustments:

- The Group's bank borrowings repayable after one year but within the normal operating cycle of the Property Development segment, previously included in 'Bank Borrowings' under non-current liabilities, have been reclassified to 'Bank Borrowings' under current liabilities. The comparative figures reclassified in the statement of financial position as at 31 December 2008 amounted to $110.0 million.

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

	30-Jun-09		31-Dec-08	
	Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
Current				
- Amount repayable in one year or less, or on demand	**78,939** [1]	-	85,184	-
- Amount repayable after one year, but within the normal operating cycle of Property Development segment	**94,576**	-	109,973 [2]	-
	173,515		195,157	
Non-current				
- Amount repayable after one year	**70,744**	-	71,554	-
	244,259	**-**	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;
g) proceeds from sale of properties for sale under development

[1] $54.6 million relates to our development projects which are fully or substantially sold, and are expected to obtain Temporary Occupation Permit ("TOP") by H1FY2010.

[2] The comparatives have been reclassified (see Note 1 to the statement of financial position)

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

	Second quarter ended 30 Jun		Half year ended 30 Jun	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Cash Flows from Operating Activities				
Profit before taxation	**10,583**	11,760	**18,429**	16,897
Adjustments for:				
Depreciation of property, plant and equipment	**489**	501	**977**	907
Interest expense	**949**	1,057	**1,822**	2,151
Interest income	**(60)**	(114)	**(146)**	(172)
Fair value gain on investment properties	**-**	(2,303)	**-**	(2,303)
Writeback of allowance for foreseeable losses on properties for sale under development	**(500)**	-	**(500)**	-
Loss on disposal of property, plant and equipment	**-**	-	**-**	5
Operating profit before working capital changes	**11,461**	10,901	**20,582**	17,485
Decrease / (increase) in inventories	**1**	(7)	**-**	(3)
(Increase) / decrease in operating receivables	**(6,593)**	(5,925)	**(14,044)**	174
(Decrease) / increase in operating payables	**(182)**	3,875	**628**	469
Decrease / (increase) in properties for sale under development	**20,826**	2,196	**38,495**	(33,096)
Cash generated from/(used in) operations	**25,513**	11,040	**45,661**	(14,971)
Interest paid	**(949)**	(1,057)	**(1,822)**	(2,151)
Income tax paid	**(1,214)**	(140)	**(1,422)**	(140)
Net cash generated from/(used in) operating activities	**23,350**	9,843	**42,417**	(17,262)
Cash Flows from Investing Activities				
Acquisition of property, plant and equipment	**(253)**	(2,376)	**(255)**	(3,131)
Interest received	**60**	114	**146**	172
Net cash used in investing activities	**(193)**	(2,262)	**(109)**	(2,959)
Cash Flows from Financing Activities				
Proceeds from bank borrowings	**1,854**	31,621	**4,271**	70,481
Repayment of bank borrowings	**(12,216)**	(23,455)	**(26,723)**	(23,807)
Fixed deposit pledged to financial institutions	**-**	-	**-**	(406)
Dividend paid	**(4,774)**	(6,366)	**(4,774)**	(6,366)
Proceeds from Initial Public Offering, net	**-**	-	**-**	36,285
Net cash (used in)/generated from financing activities	**(15,136)**	1,800	**(27,226)**	76,187
Net increase in cash and cash equivalents	**8,021**	9,381	**15,082**	55,966
Cash and cash equivalents at beginning of period	**118,148**	80,298	**111,087**	33,713
Cash and cash equivalents at end of period	**126,169**	89,679	**126,169**	89,679
Analysis of cash and cash equivalents				
Project accounts (Note 1)	**30,009**	25,730	**30,009**	25,730
Fixed deposits in project accounts (Note 1)	**47,700**	24,000	**47,700**	24,000
Fixed deposits	**31,262**	34,343	**31,262**	34,343
Cash and bank balances	**17,859**	6,012	**17,859**	6,012
Less: Fixed deposit pledged to financial institutions	**(661)**	(406)	**(661)**	(406)
	126,169	89,679	**126,169**	89,679

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 $'000	Retained profits $'000	Total equity attributable to the equity holders of the parent $'000
Group			
Balance at 1 January 2008	11,114	44,559	55,673
Total comprehensive 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
Total comprehensive income for the period	-	8,951	8,951
Dividend paid	-	(6,366)	(6,366)
Balance at 30 June 2008	47,399	51,292	98,691
Balance at 1 January 2009	47,399	62,884	110,283
Total comprehensive income for the period	-	6,364	6,364
Balance at 31 March 2009	47,399	69,248	116,647
Total comprehensive income for the period	-	9,383	9,383
Dividend paid		(4,774)	(4,774)
Balance at 30 June 2009	**47,399**	**73,857**	**121,256**
Company			
Balance at 1 January 2008	11,114	22,606	33,720
Total comprehensive income 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
Total comprehensive income for the period	-	6,093	6,093
Dividend paid	-	(6,366)	(6,366)
Balance at 30 June 2008	47,399	22,184	69,583
Balance at 1 January 2009	47,399	23,047	70,446
Total comprehensive income for the period	-	111	111
Balance at 31 March 2009	47,399	23,158	70,557
Total comprehensive income for the period	-	4,685	4,685
Dividend paid	-	(4,774)	(4,774)
Balance at 30 June 2009	**47,399**	**23,069**	**70,468**

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	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 and 30 June 2008	636,560,000	47,399
Balance as at 1 January 2009, 31 March 2009 and 30 June 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 30-Jun-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.

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

Yes.

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

	Second quarter ended 30 June		Half year ended 30 June	
	2009	**2008**	**2009**	**2008**
Earnings per share for the financial period				
(a) Based on the weighted average number of ordinary shares on issue (cents)	1.47	1.41	2.47	2.23
(b) On fully diluted basis (cents)	1.47	1.41	2.47	2.23
Profit attributable to shareholders of the Company ($'000)	9,383	8,951	15,747	13,099
Weighted average number of shares ("000)	636,560	636,560	636,560	586,626

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

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

	Group		Company	
	30-Jun-09	**31-Dec-08**	**30-Jun-09**	**31-Dec-08**
Net asset value per ordinary share based on total issued 636,560,000 ordinary shares as at 30 June 2009 (636,560,000 ordinary shares as at 31 December 2008) (cents)	19.05 *	17.32	11.07	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 30 June 2009 would have been 52.54 cents at Group level.

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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

	Second quarter ended 30 Jun				Change Increase/ (Decrease)	Half year ended 30 Jun				Change Increase/ (Decrease)
	2009		2008			2009		2008		
GROUP	$'000		$'000			$'000		$'000		
REVENUE										
Property Development	**34,707**	79%	28,904	69%	20%	**62,479**	76%	40,295	62%	55%
Hotel Ownership	**8,678**	20%	12,539	30%	-31%	**18,624**	23%	24,231	37%	-23%
Property Investment	**332**	1%	305	1%	9%	**678**	1%	610	1%	11%
	43,717	100%	41,748	100%	5%	**81,781**	100%	65,136	100%	26%
GROSS PROFIT										
Property Development	**9,958**	62%	6,647	41%	50%	**16,634**	56%	8,992	33%	85%
Hotel Ownership	**5,821**	36%	9,226	57%	-37%	**12,646**	42%	17,897	65%	-29%
Property Investment	**332**	2%	305	2%	9%	**678**	2%	610	2%	11%
	16,111	100%	16,178	100%	0%	**29,958**	100%	27,499	100%	9%
GROSS PROFIT MARGIN (%)										
Property Development	**29%**		23%			**27%**		22%		
Hotel Ownership	**67%**		74%			**68%**		74%		
Property Investment	**100%**		100%			**100%**		100%		
Total	**37%**		39%			**37%**		42%		
PROFIT BEFORE TAXATION										
Property Development	**8,361**	79%	4,975	42%	68%	**13,381**	73%	6,229	37%	115%
Hotel Ownership and Property investment	**2,222**	21%	4,482	38%	-50%	**5,048**	27%	8,365	50%	-40%
Fair value gain on investment properties	**-**	-	2,303	20%	-100%	**-**	-	2,303	13%	-100%
	10,583	100%	11,760	100%	-10%	**18,429**	100%	16,897	100%	9%

(i) Revenue

Our Group turnover for the Q2FY2009 reported a 5% increase to $43.7 million from $41.7 million in Q2FY2008. The increase was the result of 20% increase in the revenue from our Property Development segment and 9% increase in revenue from our Property Investment segment.

For the first half of FY2009, our Group's turnover increased by 26% to $81.8 million from $65.1 million in H1FY2008. The increase was the result of a 55% rise in the revenue from our Property Development segment and 11% increase in revenue from our Property Investment segment.

Revenue from our Hotel Ownership segment however reported a decrease in revenue of 23% and 31% in H1FY2009 and Q2FY2009 respectively.

(a) Property Development

Revenue from our Property Development segment accounted for 79% of our Group's turnover in Q2FY2009 as compared to 69% in Q2FY2008. In H1FY2009, as a percentage of total Group's revenue, property development accounted for 76% compared to 62% in H1FY2008.

In Q2FY2009, revenue from our Property Development segment was up 20% from $28.9 million in Q2FY2008 to $34.7 million in the current quarter. On a first half comparison, the revenue for the current period was higher, rising 55% to $62.5 million from $40.3 million in the previous half year.

The main contributor to the increase in the revenue in Q2FY2009 and H1FY2009 was due to the progressive recognition of revenue from more development projects in current year compared to the same corresponding periods last year. In H1FY2009, our Group recognized revenue from 9 development projects namely Axis@Siglap, The Montage, The Marque@Irrawaddy, The Medley, The Azzuro, The Verte, The Adara, The Ambra and The Ambrosia.

We have obtained TOP for our 2 projects, Axis@Siglap in January 2009 and The Medley in May 2009.

(b) Hotel Ownership and Property Investment

Revenue from our Hotel Ownership and Property Investment segment accounted for the remaining 21% and 24% of our Group's turnover in Q2FY2009 and H1FY2009 respectively, as compared to 31% in Q2FY2008 and 38% in H1FY2008.

Revenue from our Hotel Ownership segment decreased by 31% to $8.7 million in Q2FY2009 from $12.5 million in Q2FY2008. In H1FY2009, revenue from the same segment decreased by 23% from $24.2 million to $18.6 million compared to H1FY2008.

The decrease in revenue in Q2FY2009 and H1FY2009 was mainly due to the decline of our average room rate (ARR) at our Grand Mercure Roxy Hotel. The decline was in line with the overall hotel industry performance (please refer to hotel industry commentary in paragraph 10). Our hotel's average occupancy rate (AOR) increased marginally from 81.2% in Q2FY2008 to 81.6% in Q2FY2009 and declined from 87.4% in H1FY2008 to 82.0% in H1FY2009. Its ARR declined by 31% in Q2FY2009 and 25% in H1FY2009 compared to the corresponding periods. ARR decreased from $208.1 in Q2FY2008 to $143.5 this quarter and $206.0 in H1FY2008 to $155.4 in H1FY2009. As a result, revenue per available room (RevPar) decreased by 31% from $169.0 in Q2FY2008 to $117.1 in the current quarter and decreased by 29% from $180.0 in H1FY2008 to $127.4 in H1FY2009.

Revenue from our Property Investment segment improved by 9% for the current quarter compared to Q2FY2008 and improved by 11% in H1FY2009 compared to H1FY2008. 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.

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(ii) Cost of sales and gross profit

In line with the higher revenue achieved, direct cost of total revenue in Q2FY2009 increased by $2.0 million or 8% from $25.6 million in Q2FY2008 to $27.6 million. In H1FY2009, direct cost of total revenue increased by $14.2 million or 38% to $51.8 million from $37.6 million a year earlier.

During the quarter, gross profit from our Property Development segment contributed $9.9 million or 62% of the total gross profit of the Group, with the balance 38% or $6.2 million contributed from our Hotel Ownership and Property Investment segments. In the first half year in FY2009, gross profit from our Property Development segment contributed $16.6 million or 56% of the total gross profit of the Group, with the balance 44% or $13.3 million contributed from our Hotel Ownership and Property Investment segments. The gross profit margin for our Property Development segment improved from 23% in the Q2FY2008 and 22% in H1FY2008 to 29% in Q2FY2009 and 27% in H1FY2009, mainly due to recognition of more profitable development properties as compared to the previous corresponding periods. The gross profit margin of our Hotel Ownership segment decreased from 74% in Q2FY2008 and H1FY2008 to 67% and 68% in the current quarter and half year respectively. The decrease was mainly due to decrease in hotel room revenue of our hotel.

Overall, our Group's gross profit margin in Q2FY2009 decreased by 2 percentage points from 39% in Q2FY2008 to 37% in Q2FY2009 and decreased by 5 percentage points from 42% in H1FY2008 to 37% in H1FY2009. The overall decrease in both periods were 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 segment.

(iii) Profit for the period

Our Group overall expenses decreased by $1.3 million in Q2FY2009 and $1.4 million in the half year ended 30 June 2009 as compared to the same corresponding periods last year. The decreased were mainly due to the followings:

- Lower hotel payroll costs including saving from job credit scheme;
- Lower management fees payable to hotel operator, which were in line with lower turnover & profitability of the Hotel Ownership segment;
- Decrease in expenses such as credit card commission, other marketing expenses and replacement of hotel furniture, fittings and equipments; and
- Decrease in finance costs as a result of lower bank borrowings and lower interest rate charged by financial institutions

In Q2FY2009, our pre-tax profit before fair value gain increased by $1.1 million or 12% from $9.5million in Q2FY2008 to $10.6 million. In H1FY2009, our group's pre-tax profit before fair value gain improved by $3.8 million or 26% from $14.6 million in H1FY2008 to $18.4 million. Our Group recorded a fair value gain on investment properties of $2.3 million in Q2FY2008 and H1FY2008. For the current periods under review, no such fair value adjustment was required.

Our Group's effective tax rates in Q2FY2009 and H1FY2009 were 11% and 15% respectively. These rates were lower than the applicable tax rate of 17% mainly due to the utilisation of capital allowances and adjustment of overprovision from prior periods.

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(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 30 June 2009, our Group's current assets totalled $301.3 million and represented 75% of our total assets. Properties for sale under development amounted to $148.1 million or 49% of total current assets as at 30 June 2009. The decrease in properties for sale under development was mainly due to TOP obtained for two of our projects, Axis@Siglap in January 2009 and The Medley in May 2009.

Trade receivables amounted to $22.1 million and comprises 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 and The Medley. Other receivables include $2.9 million deposits and stamp duties paid for the acquisition of the entire freehold retail space in Kovan Centre. The purchase price for the acquisition is $22.2 million and the completion of purchase is expected to be in Q3FY2009.

As at 30 June 2009, project accounts, fixed deposits and cash and bank balances amounted to $126.8 million.

The Group recorded a net cash inflow from operating activities of $42.4 million for the half year ended 30 June 2009, as compared with net cash outflows of $17.3 million in the corresponding period last year. The improvement in cash flows from operating activities was mainly due to 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.

Our current liabilities comprise trade payables, other payables, provision for taxation and short term borrowings. As at 30 June 2009, our Group's current liabilities totalled $198.7 million and represented 71% of our total liabilities. The increase in trade payables was mainly due to increase in amount due to contractors for our projects as a result of more development projects as at 30 June 2009. Other payables comprise mainly provision for construction costs for completed projects, accrual of unbilled progress claims from contractors, provision for hotel management fees and provision for directors and staff bonuses. The decrease in other payables was mainly due to the payment of FY2008 hotel management fees as well as directors' and staff bonuses.

As at 30 June 2009, the Group's total borrowings amounted to $244.2 million with $78.9 million repayable within one year and $165.3 million repayable after one year. Of the $78.9 million borrowings repayable within one year, $54.6 million relates to our development projects which are fully or substantially sold, and are expected to obtain TOP by H1FY2010. The decreased in the borrowings as compared to the balance as at 31 December 2008 was due to the repayment of land and construction loans for Axis@Siglap and The Medley which had obtained TOP in H1FY2009.

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 first quarter ended 31 March 2009.

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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

On 14 July 2009, the Ministry of Trade and Industry (MTI) announced that it expects the Singapore economy to contract by 4.0 to 6.0 per cent in 2009, an upward revision from the contraction of 6.0 to 9.0 per cent that it had forecast on 14 April 2009. The revised forecast reflects three factors namely; an upward revision in first quarter performance, improved second quarter performance; and a subdued outlook for the rest of the year. But the Ministry warned that any recovery would be weak due to the fragile global economy.

Based on the latest real estate statistics released by Urban Redevelopment Authority (URA), overall prices of private residential properties fell by 4.7% in 2nd quarter 2009, compared with the decline of 14.1% in the 1st quarter this year. Developers had sold 1,825 units in June 2009, up from the 1,673 moved in May 2009 and almost 100 more than during the peak of the boom in August 2007. Sales for the 2nd quarter this year of 4,714 units surpassed the total of 4,264 new private flats sold last year.

Property launches visited over the weekends drew healthy take-up rates with showflats well attended and there appears to be little impact on home buyers from the recent proposed clarifications to the income tax Act on when to tax property gains. The general perception of buyers now is that the worst may be over. Confidence is bouncing back from the low levels seen last year. In the first half of 2009, our Group sold 193 residential units at total sales value of $177.9 million. This is higher than the 151 units sold and valued at $170.1 million in the whole year of 2008.

As of 30 June 2009, the Group has total pre-sale revenue amounting to $417.2 million from the following projects, of which only $76.5 million have been recognised as of 30 June 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 Ambrosia	39	39	55.1
The Verte	36	35	49.4
The Azzuro	15	15	11.9
The Adara	16	16	15.3
The Ambra	25	25	21.2
The Florentine	34	34	30.8
The Lucent	42	42	39.5
Nova 88	88	88	75.7
Nova 48	48	48	45.6
	424	422	417.2

The balance amount of pre-sale revenue, ie. $340.7 million will be progressively recognised from Q3FY2009 to FY2011. Our Group expects its earning in 2009 to continue to benefit from revenue recognition from its pre-sale revenue.

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Having sold most of our development projects and with our current favourable financial position, we will scout for suitable lands for development at the appropriate costs and time.

Hotel Ownership

According to the latest tourism statistics released by Singapore Tourism Board on 30 July 2009, visitor arrivals to Singapore reached 4.5 million in January to June 2009, registering a year-on-year percentage decline of 11.5%. For the hotel industry, all hotel tiers (Economy, Mid-Tier, Upscale and Luxury) registered more than 30% declines in RevPar in H12009 versus a year ago. For the mid-tier segment which our hotel is in, overall AOR and ARR in H12009 was 74% and $145 respectively, a drop of 10.6 percentage points and 25.4% compared to the same period a year ago. As a result, overall RevPar of mid-tier hotels declined by 34.7% to register $108 in H12009.

With travellers expected to stay cautious as uncertainties continue around H1N1 and the general economic environment, the outlook for the hotel sector continues to be challenging in the remainder of 2009.

Outlook

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

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

5 August 2009

Roxy-Pacific
Holdings Limited

CONFIRMATION PURSUANT TO RULE 705 (5) OF THE LISTING MANUAL

We confirm on behalf of the Board of Directors that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company for the second quarter and the half year ended 30 June 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

5 August 2009
Singapore