



**Roxy-Pacific  
Holdings Limited**

## **ROXY-PACIFIC HOLDINGS LIMITED**

(Registration Number: 196700135Z)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND  
ANNOUNCEMENT FOR THE THREE MONTHS FINANCIAL PERIOD ENDED  
31 MARCH 2011



**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND  
ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

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**UNAUDITED FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND  
ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

**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**

|  | <b>First quarter ended<br/>31 Mar</b> |                         | <b>Change<br/>%</b> |
|--|---------------------------------------|-------------------------|---------------------|
|  | <b>2011<br/>S\$'000</b>               | <b>2010<br/>S\$'000</b> |                     |
| Revenue  | <b>50,433</b>                         | 60,899                  | -17%                |
| Cost of sales                                      | <b>(34,072)</b>                       | (43,710)                | -22%                |
| Gross profit                                       | <b>16,361</b>                         | 17,189                  | -5%                 |
| Other operating income                             | <b>419</b>                            | 54                      | n/m                 |
| Distribution and selling expenses                  | <b>(387)</b>                          | (369)                   | 5%                  |
| Administrative expenses                            | <b>(1,738)</b>                        | (2,299)                 | -24%                |
| Other operating expenses                           | <b>(2,972)</b>                        | (2,977)                 | -                   |
| Finance costs                                      | <b>(1,165)</b>                        | (884)                   | 32%                 |
| Share of results of associates (net of income tax) | <b>730</b>                            | -                       | n/m                 |
| Profit before taxation                             | <b>11,248</b>                         | 10,714                  | 5%                  |
| Taxation   | <b>(1,211)</b>                        | (1,684)                 | -28%                |
| Profit after taxation                              | <b>10,037</b>                         | 9,030                   | 11%                 |
| <b>Other comprehensive income , net of tax</b>     | <b>-</b>                              | <b>-</b>                | <b>-</b>            |
| <b>Total comprehensive income for the period</b>   | <b>10,037</b>                         | <b>9,030</b>            | <b>11%</b>          |



**1 (a) (ii) Total comprehensive income is arrived at:**

|   | <b>First quarter ended<br/>31 Mar</b> |                         | <b>Change</b> |
|---|---------------------------------------|-------------------------|---------------|
|   | <b>2011<br/>S\$'000</b>               | <b>2010<br/>S\$'000</b> | <b>%</b>      |
| after charging:                                 |                                       |                         |               |
| Depreciation of property, plant and equipment   | <b>404</b>                            | 484                     | -17%          |
| Directors' fees                                 | <b>39</b>                             | 35                      | 11%           |
| Fair value loss on interest rate swaps          | <b>194</b>                            | -                       | n/m           |
| Interest on borrowings                          | <b>1,165</b>                          | 884                     | 32%           |
| Staff costs (including directors' remuneration) |                                       |                         |               |
| - salaries, wages and bonuses                   | <b>2,954</b>                          | 3,295                   | -10%          |
| - contribution to defined contribution plans    | <b>205</b>                            | 201                     | 2%            |
| - other personnel expenses                      | <b>312</b>                            | 251                     | 24%           |
| <b>and crediting:</b>                           |                                       |                         |               |
| Over provision for tax in respect of prior year | <b>1,063</b>                          | -                       | n/m           |
| Government grant – job credit scheme            | <b>-</b>                              | 58                      | -100%         |
| Income from hotel money exchange operations     | <b>7</b>                              | 10                      | -30%          |
| Interest income                                 | <b>78</b>                             | 42                      | 86%           |

n/m: Not meaningful



**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**

|  | <u>GROUP</u>                |                             | <u>COMPANY</u>              |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | <u>31-Mar-11</u><br>S\$'000 | <u>31-Dec-10</u><br>S\$'000 | <u>31-Mar-11</u><br>S\$'000 | <u>31-Dec-10</u><br>S\$'000 |
| <b>ASSETS</b>  |                             |                             |                             |                             |
| <b>Non-Current</b>                                   |                             |                             |                             |                             |
| Goodwill   | 1,672                       | 1,672                       | -                           | -                           |
| Property, plant and equipment                        | 70,029                      | 70,421                      | 77                          | 83                          |
| Investments in subsidiaries                          | -                           | -                           | 41,443                      | 40,443                      |
| Investments in associates                            | 2,365                       | 1,635                       | -                           | -                           |
| Investment properties                                | 78,767                      | 78,767                      | -                           | -                           |
|  | <b>152,833</b>              | <b>152,495</b>              | <b>41,520</b>               | <b>40,526</b>               |
| <b>Current</b>                                       |                             |                             |                             |                             |
| Developed property for sale                          | -                           | 985                         | -                           | -                           |
| Properties for sale under development <sup>(1)</sup> | 242,610                     | 235,305                     | -                           | -                           |
| Inventories  | 142                         | 141                         | -                           | -                           |
| Trade receivables                                    | 13,763                      | 24,846                      | 2                           | 19                          |
| Other receivables                                    | 16,830                      | 16,329                      | 1,088                       | 47                          |
| Amount due from associates                           | 15,322                      | 12,920                      | 11                          | 6                           |
| Amount due from subsidiaries                         | -                           | -                           | 20,912                      | 25,460                      |
| Project accounts                                     | 127,128                     | 75,700                      | -                           | -                           |
| Fixed deposits (Note 1(c))                           | 18,743                      | 38,754                      | 7,058                       | 9,069                       |
| Cash and bank balances                               | 66,528                      | 44,151                      | 24,697                      | 1,018                       |
|  | <b>501,066</b>              | <b>449,131</b>              | <b>53,768</b>               | <b>35,619</b>               |
| <b>Total assets</b>                                  | <b>653,899</b>              | <b>601,626</b>              | <b>95,288</b>               | <b>76,145</b>               |
| <b>EQUITY AND LIABILITIES</b>                        |                             |                             |                             |                             |
| <b>Capital and Reserves</b>                          |                             |                             |                             |                             |
| Share capital  | 47,399                      | 47,399                      | 47,399                      | 47,399                      |
| Retained earnings                                    | 132,473                     | 122,436                     | 38,040                      | 22,785                      |
| <b>Total equity</b>                                  | <b>179,872</b>              | <b>169,835</b>              | <b>85,439</b>               | <b>70,184</b>               |
| <b>Liabilities</b>                                   |                             |                             |                             |                             |
| <b>Non-Current</b>                                   |                             |                             |                             |                             |
| Bank borrowings (secured)                            | 84,278                      | 84,733                      | -                           | -                           |
| Deferred income taxes                                | 16,154                      | 14,943                      | -                           | -                           |
|  | <b>100,432</b>              | <b>99,676</b>               | <b>-</b>                    | <b>-</b>                    |
| <b>Current</b>                                       |                             |                             |                             |                             |
| Trade payables                                       | 6,007                       | 7,740                       | 87                          | 360                         |
| Other payables                                       | 46,562                      | 26,190                      | 5,769                       | 5,551                       |
| Amount due to a subsidiary                           | -                           | -                           | 3,956                       | -                           |
| Provision for taxation                               | 6,945                       | 7,074                       | 37                          | 50                          |
| Bank borrowings (secured)                            | 314,081                     | 291,111                     | -                           | -                           |
|  | <b>373,595</b>              | <b>332,115</b>              | <b>9,849</b>                | <b>5,961</b>                |
| <b>Total liabilities</b>                             | <b>474,027</b>              | <b>431,791</b>              | <b>9,849</b>                | <b>5,961</b>                |
| <b>Total equity and liabilities</b>                  | <b>653,899</b>              | <b>601,626</b>              | <b>95,288</b>               | <b>76,145</b>               |

<sup>(1)</sup> \$198.8 million (31-Dec-10: \$128.8 million) relates to the Group's pre-sold development properties as at 31 March 2011.



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

|   | <u>31-Mar-11</u>           |                              | <u>31-Dec-10</u>   |                      |
|---|----------------------------|------------------------------|--------------------|----------------------|
|   | <b>Secured<br/>S\$'000</b> | <b>Unsecured<br/>S\$'000</b> | Secured<br>S\$'000 | Unsecured<br>S\$'000 |
| <b>Current</b>  |                            |                              |                    |                      |
| - Amount repayable in one year or less, or on demand  | <b>138,541</b>             | (i) -                        | 149,218            | -                    |
| - Amount repayable after one year but within the normal operating cycle of Property Development segment | <b>175,540</b>             | -                            | 141,893            | -                    |
|   | <b>314,081</b>             | -                            | 291,111            | -                    |
| <b>Non-current</b>  |                            |                              |                    |                      |
| Amount repayable after one year   | <b>84,278</b>              | -                            | 84,733             | -                    |
|   | <b>398,359</b>             | -                            | 375,844            | -                    |

Details of collaterals

The borrowings are secured by;

- a) Freehold land and building;
- b) Proceeds from the sale of investment properties;
- c) Rental income from investment properties;
- d) Joint guarantee of four directors and the Company; and
- e) Properties for sale under development

- (i) \$99.7 million relates to our pre-sold development properties and is expected to be fully repaid by 31 March 2012 upon obtaining Temporary Occupation Permits ("TOP") and collections from purchasers.



**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**

|   | <b>First quarter ended<br/>31 Mar</b> |                |
|---|---------------------------------------|----------------|
|   | <b>2011</b>                           | <b>2010</b>    |
|   | <b>S\$'000</b>                        | <b>S\$'000</b> |
| <b>Cash Flows from Operating Activities</b>                     |                                       |                |
| Profit before taxation  | 11,248                                | 10,714         |
| Adjustments for:  |                                       |                |
| Depreciation of property, plant and equipment                   | 404                                   | 484            |
| Fair value loss on interest rate swaps                          | 194                                   | -              |
| Share of associates' results                                    | (730)                                 | -              |
| Interest income   | (78)                                  | (42)           |
| Interest expense on bank borrowings                             | 1,165                                 | 884            |
| Operating profit before working capital changes                 | 12,203                                | 12,040         |
| (Increase) / decrease in inventories                            | (1)                                   | 12             |
| Decrease in operating receivables                               | 10,583                                | 14,552         |
| Increase in operating payables                                  | 18,445                                | 330            |
| Increase in properties for sale under development               | (7,305)                               | (18,159)       |
| Decrease in developed property for sale                         | 985                                   | -              |
| Cash generated from operations                                  | 34,910                                | 8,775          |
| Income tax paid   | (129)                                 | (789)          |
| Net cash generated from operating activities                    | 34,781                                | 7,986          |
| <b>Cash Flows from Investing Activities</b>                     |                                       |                |
| Advances to associates  | (2,402)                               | (746)          |
| Acquisition of property, plant and equipment                    | (12)                                  | (15)           |
| Acquisition of investment properties                            | -                                     | (18,906)       |
| Interest received   | 78                                    | 42             |
| Net cash used in investing activities                           | (2,336)                               | (19,625)       |
| <b>Cash Flows from Financing Activities</b>                     |                                       |                |
| Proceeds from borrowings  | 35,924                                | 40,964         |
| Repayment of borrowings   | (13,409)                              | (34,877)       |
| Fixed deposit pledged to banks and financial institutions       | (5)                                   | (408)          |
| Interest paid   | (1,165)                               | (884)          |
| Net cash generated from financing activities                    | 21,345                                | 4,795          |
| Net increase / (decrease) in cash and cash equivalents          | 53,790                                | (6,844)        |
| Cash and cash equivalents at beginning of period                | 157,939                               | 108,315        |
| Cash and cash equivalents at end of period                      | 211,729                               | 101,471        |
| <b>Analysis of cash and cash equivalents:-</b>                  |                                       |                |
| Project accounts (Note 1)                                       | 96,927                                | 19,453         |
| Fixed deposits in project accounts (Note 1)                     | 30,201                                | 38,200         |
| Fixed deposits  | 18,743                                | 22,194         |
| Cash and bank balances  | 66,528                                | 22,289         |
| Less: Fixed deposits pledged to banks and financial institution | (670)                                 | (665)          |
|   | 211,729                               | 101,471        |



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 properties developed for sale.

**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**

| <b>Group</b>                              | <b>Share<br/>capital<br/>S\$'000</b> | <b>Retained<br/>profits<br/>S\$'000</b> | <b>Total<br/>S\$'000</b> |
|---|--------------------------------------|---|--------------------------|
| Balance at 1 January 2010                 | 47,399                               | 86,020                                  | 133,419                  |
| Total comprehensive income for the period | -                                    | 9,030                                   | 9,030                    |
| Balance at 31 March 2010                  | 47,399                               | 95,050                                  | 142,449                  |
| Balance at 1 January 2011                 | <b>47,399</b>                        | <b>122,436</b>                          | <b>169,835</b>           |
| Total comprehensive income for the period | -                                    | <b>10,037</b>                           | <b>10,037</b>            |
| Balance at 31 March 2011                  | <b>47,399</b>                        | <b>132,473</b>                          | <b>179,872</b>           |

| <b>Company</b>                            | <b>Share<br/>capital<br/>S\$'000</b> | <b>Retained<br/>profits<br/>S\$'000</b> | <b>Total<br/>S\$'000</b> |
|---|--------------------------------------|---|--------------------------|
| Balance at 1 January 2010                 | 47,399                               | 23,139                                  | 70,538                   |
| Total comprehensive income for the period | -                                    | 6,280                                   | 6,280                    |
| Balance at 31 March 2010                  | 47,399                               | 29,419                                  | 76,818                   |
| Balance at 1 January 2011                 | <b>47,399</b>                        | <b>22,785</b>                           | <b>70,184</b>            |
| Total comprehensive income for the period | -                                    | <b>15,255</b>                           | <b>15,255</b>            |
| Balance at 31 March 2011                  | <b>47,399</b>                        | <b>38,040</b>                           | <b>85,439</b>            |





**Roxy-Pacific  
Holdings Limited**

**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**

Nil

**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.**

|   | <u>31-Mar-11</u>   | <u>31-Dec-10</u>   |
|---|--------------------|--------------------|
| Total number of ordinary shares issued and fully paid | <u>636,560,000</u> | <u>636,560,000</u> |

**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.

**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 information for the current financial period compared with those for the audited financial statements as at 31 December 2010.



**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 Group has adopted all the new and revised Financial Reporting Standards (“FRS”) and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for accounting period beginning on 1 January 2011.

The adoption of these new/revised FRS and INT FRS did not result in substantial changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior reporting periods.

**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**

|  | <b>First quarter ended<br/>31 Mar</b> |                         |
|--|---------------------------------------|-------------------------|
|  | <b>2011<br/>S\$'000</b>               | <b>2010<br/>S\$'000</b> |
| <b>Earnings per share for the financial period</b>                           |                                       |                         |
| (a) Based on the weighted average number of ordinary shares in issue (cents) | <b>1.58</b>                           | 1.42                    |
| (b) On fully diluted basis (cents)   | <b>1.58</b>                           | 1.42                    |
| Profit attributable to equity holders of the Company (\$'000)                | <b>10,037</b>                         | 9,030                   |
| Weighted average number of shares ('000)                                     | <b>636,560</b>                        | 636,560                 |

The Company did not have any stock options or dilutive potential ordinary shares during the periods ended 31 March 2011 and 2010.



**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**

|   | <b>Group</b>     |                  | <b>Company</b>   |                  |
|---|------------------|------------------|------------------|------------------|
|   | <b>31-Mar-11</b> | <b>31-Dec-10</b> | <b>31-Mar-11</b> | <b>31-Dec-10</b> |
| Net asset value per ordinary shares based on total issued 636,560,000 ordinary shares (cents) | <b>28.26</b>     | 26.68            | <b>13.42</b>     | 11.03            |

The Group adopts the cost model under *FRS16 Property, Plant and Equipment*, and measures its property, plant and equipment at cost less depreciation and impairment loss. If it had applied the fair value model under *FRS16*, a revaluation surplus would arise as a result of the excess of the fair value of the Grand Mercure Roxy Hotel and office premise over their carrying amounts. As at 31 March 2011, our directors estimated that such revaluation surplus to be approximately \$256.7 million (31 December 2010: \$256.3 million) based on the valuation carried out by an independent valuer on 27 December 2010, on an open market value basis and existing use basis. Had this revaluation surplus been recorded the Group's revalued net asset value ("RNAV") per share would have been as follows:

|   | <b>Group</b>     |                  |
|---|------------------|------------------|
|   | <b>31-Mar-11</b> | <b>31-Dec-10</b> |
| RNAV per ordinary share based on total issued 636,560,000 ordinary shares (cents) | <b>68.58</b>     | 66.95            |



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                                      | 1Q2011<br>S\$'000 |      | 1Q2010<br>S\$'000 |      | Change<br>% |
|--|-------------------|------|-------------------|------|-------------|
| <b>REVENUE</b>                             |                   |      |                   |      |             |
| Property Development                       | <b>37,945</b>     | 75%  | 49,868            | 82%  | -24%        |
| Hotel Ownership                            | <b>11,669</b>     | 23%  | 10,287            | 17%  | 13%         |
| Property Investment                        | <b>819</b>        | 2%   | 744               | 1%   | 10%         |
|  | <b>50,433</b>     | 100% | 60,899            | 100% | -17%        |
| <b>GROSS PROFIT</b>                        |                   |      |                   |      |             |
| Property Development                       | <b>7,509</b>      | 46%  | 9,433             | 55%  | -20%        |
| Hotel Ownership                            | <b>8,033</b>      | 49%  | 7,012             | 41%  | 15%         |
| Property Investment                        | <b>819</b>        | 5%   | 744               | 4%   | 10%         |
|  | <b>16,361</b>     | 100% | 17,189            | 100% | -5%         |
| <b>GROSS PROFIT MARGIN (%)</b>             |                   |      |                   |      |             |
| Property Development                       | <b>20%</b>        |      | 19%               |      | 1ppt        |
| Hotel Ownership                            | <b>69%</b>        |      | 68%               |      | 1ppt        |
| Property Investment                        | <b>100%</b>       |      | 100%              |      | -           |
| <i>Total</i>                               | <b>32%</b>        |      | 28%               |      | 4ppt        |
| <b>PROFIT BEFORE TAXATION</b>              |                   |      |                   |      |             |
| Property Development                       | <b>7,872</b>      | 70%  | 7,880             | 74%  | -           |
| Hotel Ownership and Property<br>Investment | <b>3,376</b>      | 30%  | 2,834             | 26%  | 19%         |
|  | <b>11,248</b>     | 100% | 10,714            | 100% | 5%          |

#### 1Q2011 vs 1Q2010

##### (i) Revenue

The Group registered a 17% decrease in revenue to \$50.4 million in 1Q2011 from \$60.9 million in 1Q2010. The decrease in turnover was due to 24% decrease in revenue from its Property Development segment, partly offset by a 13% increase from its Hotel Ownership segment and a 10% increase in revenue from its Property Investment segment.



**(a) Property Development**

Revenue from the Group's Property Development segment which made up of 75% of turnover, declined 24% from \$49.9 million in 1Q2010 to \$37.9 million in 1Q2011. This decrease was largely due to progressive recognition of revenue from more development projects in 1Q2010 as compared to the current quarter. The Group recognised revenue from seven development projects namely, The Azzuro, The Verte, The Florentine, Nova 48, Nova 88, The Lucent and Studios@Tembeling in 1Q2011.

**(b) Hotel Ownership and Property Investment**

The remaining 25% of the Group's turnover in 1Q2011 was attributable to the Group's Hotel Ownership and Property Investment segments. Revenue from the Hotel Ownership segment increased 13% to \$11.7 million in 1Q2011. The hotel's average occupancy rate ("AOR") declined from 93.5% in 1Q2010 to 91.6% in 1Q2011. This was marginally offset by a 22% increase in average room rate ("ARR") to \$185.9 in 1Q2011 as compared to \$151.8 in 1Q2010. Overall, the Group's revenue per available room ("RevPar") increased by 20% from \$141.9 in 1Q2010 to \$170.3 in the current quarter.

Revenue from the Group's Property Investment segment improved by 10% for the current quarter compared to 1Q2010. The increase was mainly due to the recognition of rental income from Kovan Centre and increased higher rental income from the renewal of leases for some of the Group's shop units at Roxy Square.

**(ii) Cost of sales and gross profit**

In line with the decrease in revenue, direct cost of total revenue also decreased by \$9.6 million or 22% from \$43.7 million in 1Q2010 to \$34.1 million in 1Q2011.

During the quarter, gross profit from the Property Development segment contributed \$7.5 million or 46% of the total gross profit of the Group, with the balance 54% or \$8.9 million contributed by the Hotel Ownership and Property Investment segments. The gross profit margin for the Property Development segment improved from 19% in 1Q2010 to 20% in 1Q2011. The gross profit margin of the Hotel Ownership segment also improved by 1 percentage point from 68% in 1Q2010 to 69% in the current quarter.

Overall, the Group's gross profit margin in 1Q2011 increased by 4 percentage points from 28% in 1Q2010 to 32% in 1Q2011. The overall increase was mainly due to higher revenue contribution from the both Hotel Ownership and Property Investment segments which has a higher gross profit margin and an increase in the gross profit margins in these segments in the current quarter.



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### **(iii) Profit for the period**

The Group's other operating income increased by \$0.4 million to \$0.4 million in 1Q2011 mainly due to the forfeiture of booking fees for pre-sale of properties, rental income from development properties and increase in interest income.

Administrative expenses decreased from \$2.3 million in 1Q2010 to \$1.7 million in 1Q2011 mainly due to lower provision for directors' bonuses.

Depreciation decreased from \$0.5 million in 1Q2010 to \$0.4 million in 1Q2011 mainly due to fully depreciated plant and equipment during FY2010.

Finance costs increased from \$0.9 million in 1Q2010 to \$1.2 million in 1Q2011 mainly due to additional working capital loan drawdowns in 3Q2010.

The Group recorded its share of results of associates since 3Q2010 mainly attributable to profit recognition from the sale of units in Haig 162, a 99-unit development project..

In the current quarter, the Group's pre-tax profit improved by 5% or \$0.5 million from \$10.7 million in 1Q2010 to \$11.2 million.

The Group's effective tax rates in 1Q2011 and 1Q2010 were 11% and 16% respectively. The effective tax rate in 1Q2011 was lower than the applicable tax rate of 17% mainly due to over-provision of tax in respect of prior year.

Profit after taxation improved by \$1.0 million or 11% to \$10.0 million in the current quarter ended 31 March 2011.

### **(iv) Cashflow, working capital and Balance Sheet**

The Group's non-current assets comprise property, plant and equipment, investment properties, investments in associates and goodwill. As at 31 March 2011, this amounted to \$152.8 million and represented 23% of the total assets. Investment properties accounted for \$78.8 million or 52% of total non-current assets as at 31 March 2011. At Company's level, the increase in investments in subsidiaries from \$40.4 million as at 31 December 2010 to \$41.4 million as at 31 March 2011 was due to the increase in the Company's investment in one of its subsidiaries during the period.

The Group's current assets comprise mainly properties for sale under development, trade and other receivables and cash and bank balances. As at 31 March 2011, this amounted \$501.1 million and represented 77% of the total assets. Properties for sale under development accounted for \$242.6 million or 49% of total current assets as at 31 March 2011. The increase in properties for sale under development from \$235.3 million as at 31 December 2010 to \$242.6 million as at 31 March 2011 was mainly due to the completion of the purchase of development site at 116 Changi Road in 1Q2011.

Trade receivables amounted to \$13.8 million as at 31 March 2011 and comprise mainly progress payments receivable from purchasers for projects under construction and the unbilled revenue portion of the recognised sales from the completed projects. The decrease in trade receivables from \$24.8 million as at 31 December 2010 to \$13.8 million as at 31 March 2011 was mainly due to collections from purchasers in 1Q2011.



**(iv) Cashflow, working capital and Balance Sheet (cont'd)**

Other receivables comprise mainly deposits, prepayments and other receivables. Amount due from associates comprises mainly advances to associates for working capital of the joint venture companies.

As at 31 March 2011, project accounts, fixed deposits and cash and bank balances amounted to \$212.4 million.

The Group recorded net cash inflows from operating activities of \$34.8 million for the current quarter, as compared with net cash inflows of \$8.0 million in the corresponding period last year. The increase in cash flows from operating activities was mainly due to the increase in the operating payables which comprises mainly deposits and booking fees received for Space@Kovan, which was launched in December 2010.

As at 31 March 2011, the Group recorded net cash outflows from investing activities of \$2.3 million, mainly due to advances to one of the associates for working capital during the current quarter. As at 31 March 2011, the net cash inflows from financing activities were mainly due to proceeds from land and construction loans.

The Group's current liabilities comprise trade payables, other payables, provision for taxation and bank borrowings. As at 31 March 2011, this amounted to \$373.6 million and represented 79% of the total liabilities. The decrease in trade payables from \$7.7 million as at 31 December 2010 to \$6.0 million as at 31 March 2011 was mainly due to payment to contractors for the projects during the current period. Other payables comprise mainly deposits and booking fees received for pre-sale of properties, accruals for construction costs for completed projects, accrual of unbilled progress claims from contractors, hotel management fees and directors' and staff bonuses. The increase in other payables from \$26.2 million as at 31 December 2010 to \$46.6 million as at 31 March 2011 was mainly due to deposits and booking fees received for Space@Kovan.

As at 31 March 2011, the Group's total borrowings amounted to \$398.4 million with \$138.5 million repayable within one year and \$259.9 million repayable after one year. Of the \$138.5 million borrowings repayable within one year, \$99.7 million relates to sold development properties and is expected to be fully repaid by 31 March 2012 upon obtaining TOP and collections from purchasers. The increase in the total borrowings as at 31 March 2011 as compared to the balance as at 31 December 2010 was mainly due to loan drawdowns for land acquisition in 1Q2011, partially offset by the repayment of land and construction loans during the period.

**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 2010.



**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

Singapore's economy continued to grow at a healthy pace in the first quarter of 2011. Based on advance estimates by Ministry of Trade and Industry Singapore, the economy expanded by 8.5 per cent on a year-on-year basis, compared to 12.0 per cent in the previous quarter.

Based on the latest statistics released by Urban Redevelopment Authority (URA) on 25 April 2011, overall prices of private residential properties increased by 2.2% in 1<sup>st</sup> Quarter 2011, compared with 2.7% in the previous quarter. The rate of price increase has moderated for 6 consecutive quarters, since 4th Quarter 2009, after a hike of 15.8% in the third quarter of 2009.

The property-cooling measures introduced in January 2011 have helped curb speculation and stabilise prices. Since the measures were introduced, property prices have come down or remained in some projects. Volumes declined initially but have increased as a result of the increase in projects launches by developers this month to ride on the current wave of buying interest by buyers.

With the stable economic growth and healthy job market, more buyers are entering the property market again after a lull as the cooling measures were digested.

The Group had substantially sold the six development projects that it has launched since 3Q2010. Both Space@Kovan and Spottiswoode 18 have achieved a strong take-up of more than 94% for the total 447 launched units as at end-March 2011.

The table below gives an update of the six development projects launched since 3Q2010:

| <b>Project name</b> | <b>Group's stake</b> | <b>No. of Units in the projects</b> | <b>Unit Sold <sup>(1)</sup></b> | <b>% sold</b> | <b>Total sale value <sup>(1)</sup> (\$'m)</b> |
|---------------------|----------------------|-------------------------------------|---------------------------------|---------------|---|
| Haig 162            | 45%                  | 99                                  | 99                              | 100%          | 58.5  |
| Straits Residences  | 100%                 | 30                                  | 30                              | 100%          | 20.1  |
| Studios@Tembeling   | 100%                 | 25                                  | 25                              | 100%          | 18.5  |
| Jupiter 18          | 100%                 | 53                                  | 53                              | 100%          | 35.8  |
| Space@Kovan         |                      |                                     |                                 |               |   |
| – Residential units | 100%                 | 140                                 | 139                             | 99%           | 112.0   |
| – Commercial units  | 100%                 | 56                                  | 54                              | 96%           | 40.7  |
| Spottiswoode 18     | 100%                 | 251                                 | 238                             | 94%           | 231.3   |
|                     |                      | 654                                 | 638                             |               | 516.9   |

<sup>(1)</sup> based on Option to Purchase granted up to 3rd May 2011.





In 2010, the Group made a few acquisitions which focused on commercial/retail developments. The Group recently acquires a freehold site at 131 Mackenzie Road for residential development. The purchase is subject to and conditional upon an Order for Sale from the Strata Titles Board or the High Court.

As of the date of this announcement, the Group has the following land plots for development:

| <b>Location / Description</b>                             | <b>Group's stake</b> | <b>Approximate Attributable Land Area</b> | <b>Approximate Attributable Gross Floor Area</b> | <b>Approximate Attributable Land Cost <sup>(1)</sup></b> |
|---|----------------------|---|--|--|
|   | %                    | (sqm)                                     | (sqm)  | \$'m   |
| 70 Shenton Way (Marine House)                             | 20%                  | 367                                       | 3,083  | 29.6   |
| 29A Toh Tuck Road<br>(Toh Tuck Apartments)                | 45%                  | 1,691                                     | 2,367  | 18.0   |
| 55 Changi Road (Singapura Theatre)                        | 48%                  | 869                                       | 2,608  | 21.6   |
| 116 Changi Road (Everitt Building)                        | 100%                 | 1,576                                     | 4,728  | 35.5   |
| 131 Mackenzie Road<br>(Mackenzie Mansions) <sup>(2)</sup> | 100%                 | 1,198                                     | 2,516  | 24.6   |
|   |                      | 5,701                                     | 15,302   | 129.3  |

<sup>(1)</sup> includes estimated state land premium and development charge

<sup>(2)</sup> the acquisition is subject to and conditional upon the obtaining of an Order for Sale from the Strata Titles Board or the High Court.

The sales value achieved from the six projects launched since 3Q2010 will further enhance the Group future earning visibility. As of 3rd May 2011, the Group has a balance amount of attributable progress billings of S\$555.2 million which will be progressively recognised from 2Q2011 to FY2014.

#### Hotel Ownership

The tourism statistics released by the Singapore Tourism Board on 30 March 2011 shows that visitors to Singapore registered 15.4% growth in February 2011, the marking the fifteen straight month of record arrivals.

The directors believe that demand for the hotel rooms should continue to be strong in 2011 due to the strong economy and continual high visitors' arrivals to Singapore.

#### Outlook

Barring any unforeseen circumstances, the directors expect the Group to be profitable in 2011.



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**11. Dividend**

*(a) Current Financial Period Reported On*

Any dividend declared for the current financial period reported on? No.

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

Any dividend declared for the corresponding period of the immediately preceding financial year? No

*(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 has been declared / recommended

**ON BEHALF OF THE BOARD**

Koh Seng Geok  
Executive Director

4 May 2011  
Singapore



**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 three months ended 31 March 2011 to be false or misleading in any material respect.

**ON BEHALF OF THE BOARD**

Teo Hong Lim  
Chairman & CEO

Koh Seng Geok  
Executive Director

4 May 2011  
Singapore