ROXY-PACIFIC HOLDINGS LIMITED

(Registration Number: 196700135Z)

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

Roxy-Pacific Holdings Limited

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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

	Fourth quarter ended 31 Dec			Full year ended 31 Dec		
	2011	2010	Change	2011	2010	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	42,114	47,534	-11%	183,651	216,877	-15%
Cost of sales	(26,295)	(30,910)	-15%	(120,392)	(146,415)	-18%
Gross profit	15,819	16,624	-5%	63,259	70,462	-10%
Other operating income*	4,292	5,779	-26%	24,915	10,405	139%
Distribution and selling expenses	(541)	(384)	41%	(2,019)	(1,867)	8%
Administrative expenses	(2,282)	(2,930)	-22%	(12,320)	(10,826)	14%
Other operating expenses	(1,769)	(1,807)	-2%	(10,949)	(10,527)	4%
Finance costs	(1,362)	(1,526)	-11%	(4,650)	(4,470)	4%
Share of profit of associates (net of income tax)	(251)	26	n/m	288	55	424%
Profit before taxation	13,906	15,782	-12%	58,524	53,232	10%
Taxation	(2,497)	(3,773)	-34%	(8,865)	(10,450)	-15%
Profit after taxation	11,409	12,009	-5%	49,659	42,782	16%
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income for the year	11,409	12,009	-5%	49,659	42,782	16%

n/m: Not meaningful

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

	Fourth quarter ended 31 Dec			Full year ended 31 Dec		
	2011 S$'000	2010 S$'000	Change %	2011 S$'000	2010 S$'000	Change %
after charging:						
Bad debts written off	2	-	n/m	2	-	n/m
Depreciation of property, plant and equipment	767	525	46%	2,073	1,934	7%
Directors' fees	39	36	8%	156	142	10%
Fair value loss on interest rate swaps	-	-	-	449	73	515%
Impairment loss on trade receivables	-	-	-	5	-	n/m
Impairment loss on loan to an associate	220	-	n/m	220	-	n/m
Interest on borrowings	1,350	1,390	-3%	4,638	4,333	7%
Staff costs (including directors' remuneration)						
- salaries, wages and bonuses	2,492	4,461	-44%	16,272	15,090	8%
- contribution to defined contribution plans	207	235	-12%	802	818	-2%
- other personnel expenses	313	214	46%	1,178	912	29%
and crediting:						
Fair value gain on investment properties	3,864	5,614	-31%	23,015 *	9,951	131%
Over provision for tax in respect of prior year	-	-	-	1,563	-	n/m
Fair value gain on interest rate swaps	158	60	163%	-	-	-
Government grant – job credit scheme	-	-	-	-	89	n/m
Income from hotel money exchange operations	6	9	-33%	26	38	-32%
Interest income	59	59	-	335	221	52%
Write-back of allowance for doubtful debts on trade receivables	-	23	n/m	-	17	n/m

n/m: Not meaningful

* includes $9.6 million fair value gain on the transfer of investment property to development property. Refer to paragraph 8 (iii) on page 16.

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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	
	31-Dec-11	31-Dec-10	**31-Dec-11**	31-Dec-10
	S$'000	S$'000	**S$'000**	S$'000
ASSETS				
Non-Current				
Intangible assets – goodwill	**1,672**	1,672	**-**	-
Property, plant and equipment (1)	**73,928**	70,421	**63**	83
Investments in subsidiaries	**-**	-	**43,443**	40,443
Investments in associates	**2,413**	1,635	**-**	-
Investment properties	**44,692**	78,767	**-**	-
	122,705	152,495	**43,506**	40,526
Current				
Developed properties for sale	**-**	985	**-**	-
Properties for sale under development (2)	**329,912**	235,305	**-**	-
Inventories	**139**	141	**-**	-
Trade receivables	**37,952**	24,846	**10**	19
Other receivables	**1,688**	16,329	**129**	47
Amounts due from associates	**26,800**	12,920	**11**	6
Amounts due from subsidiaries	**-**	-	**32,283**	25,460
Project accounts	**137,484**	75,700	**-**	-
Fixed deposits	**60,321**	38,754	**22,585**	9,069
Cash and bank balances	**31,604**	44,151	**3,101**	1,018
	625,900	449,131	**58,119**	35,619
Total assets	**748,605**	601,626	**101,625**	76,145
Capital and Reserves				
Share capital	**47,399**	47,399	**47,399**	47,399
Retained earnings	**162,547**	122,436	**28,906**	22,785
Equity attributable to owners of the Company	**209,946**	169,835	**76,305**	70,184
Liabilities				
Non-Current				
Borrowings (secured)	**84,900**	84,733	**-**	-
Deferred tax liabilities	**19,396**	14,943	**-**	-
	104,296	99,676	**-**	-
Current				
Trade payables	**9,381**	7,740	**21**	360
Other payables	**22,313**	26,190	**6,109**	5,551
Amounts due to subsidiaries	**-**	-	**15,094**	-
Current tax payable	**5,835**	7,074	**96**	50
Borrowings (secured)	**396,834**	291,111	**4,000**	-
	434,363	332,115	**25,320**	5,961
Total liabilities	**538,659**	431,791	**25,320**	5,961
Total equity and liabilities	**748,605**	601,626	**101,625**	76,145

(1) At 31 December 2011, the carrying amount of our Grand Mercure Roxy Hotel and office premise totalled $73.9 million. The market value of these properties was estimated to be $416.9 million (31 December 2010: $326.6 million) based on the valuation carried out by an independent valuer on 31 December 2011, on an open market value and existing use basis.

(2) $217.3 million (31-Dec-10: $128.8 million) relates to the Group's pre-sold development properties as at 31 December 2011.

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

	31-Dec-11		31-Dec-10	
	Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
Current				
- Amount repayable in one year or less, or on demand	151,084 (i)	-	149,218	-
- Amount repayable after one year but within the normal operating cycle of Property Development segment	245,750	-	141,893	-
	396,834	-	291,111	-
Non-current				
Amount repayable after one year	84,900	-	84,733	-
	481,734	-	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;
e) Properties for sale under development; and
f) Proceeds from sale of properties for sale under development.

(i) $84.4 million relates to the sold development properties and is expected to be fully repaid by 31 December 2012 upon obtaining Temporary Occupation Permits ("TOP") and collections from purchasers.

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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

	Fourth quarter ended 31 Dec		Full year ended 31 Dec	
	2011	2010	**2011**	2010
	S$'000	S$'000	**S$'000**	S$'000
Cash Flows from Operating Activities				
Profit before taxation	13,906	15,782	58,524	53,232
Adjustments for:				
Depreciation of property, plant and equipment	767	525	2,073	1,934
Fair value (gain) / loss on interest rate swaps	(158)	(60)	449	73
Share of associates' results	251	(26)	(288)	(55)
Interest income	(59)	(59)	(335)	(221)
Interest expense on bank borrowings	1,350	1,390	4,638	4,333
Impairment loss on loan to an associate	220	-	220	-
Fair value gain on investment properties	(3,864)	(5,614)	(23,015)	(9,951)
Operating profit before working capital changes	12,413	11,938	42,266	49,345
(Increase) / decrease in inventories	(18)	(6)	2	(2)
(Increase) / decrease in operating receivables	(20,804)	(12,180)	1,536	19,405
Increase / (decrease) in operating payables	3,083	7,680	(2,685)	10,654
Decrease / (increase) in properties for sale under development	35,354	(75,175)	(38,537)	(103,846)
Decrease in developed properties for sale	-	-	985	-
Cash generated from / (used in) operations	30,028	(67,743)	3,567	(24,444)
Income tax refund /(paid)	107	-	(5,651)	(6,947)
Net cash generated from / (used in) operating activities	30,135	(67,743)	(2,084)	(31,391)
Cash Flows from Investing Activities				
Investment in associates	-	(480)	(490)	(1,130)
Advances to associates	(5,520)	(1,055)	(14,100)	(11,451)
Acquisition of property, plant and equipment	(2,003)	(310)	(4,560)	(1,970)
Acquisition of investment properties	-	226	-	(18,998)
Interest received	59	59	335	221
Net cash used in investing activities	(7,464)	(1,560)	(18,815)	(33,328)
Cash Flows from Financing Activities				
Proceeds from borrowings	11,627	110,062	157,868	197,615
Repayment of borrowings	(20,923)	(18,978)	(51,979)	(72,164)
Fixed deposit pledged to banks and financial institutions	-	-	(546)	(409)
Interest paid	(1,350)	(1,296)	(4,638)	(4,333)
Dividend paid	-	-	(9,548)	(6,366)
Net cash (used in) / generated from financing activities	(10,646)	89,788	91,157	114,343

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	Fourth quarter ended 31 Dec		Full year ended 31 Dec	
	2011	2010	**2011**	2010
	S$'000	S$'000	**S$'000**	S$'000
Net increase in cash and cash equivalents	12,025	20,485	70,258	49,624
Cash and cash equivalents at beginning of year	216,172	137,454	157,939	108,315
Cash and cash equivalents at end of year	228,197	157,939	228,197	157,939
Analysis of cash and cash equivalents:-				
Project accounts (Note 1)	58,984	36,500	58,984	36,500
Fixed deposits in project accounts (Note 1)	78,500	39,200	78,500	39,200
Fixed deposits	60,321	38,754	60,321	38,754
Cash and bank balances	31,604	44,151	31,604	44,151
Less: Fixed deposits pledged to financial institutions	(1,212)	(666)	(1,212)	(666)
	228,197	157,939	228,197	157,939

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

Group	**Share capital S$'000**	**Retained profits S$'000**	**Total S$'000**
Balance at 1 January 2010	47,399	86,020	133,419
Total comprehensive income for the period	-	30,773	30,773
Dividend paid	-	(6,366)	(6,366)
Balance at 30 September 2010	47,399	110,427	157,826
Total comprehensive income for the period	-	12,009	12,009
Balance at 31 December 2010	47,399	122,436	169,835
Balance at 1 January 2011	47,399	122,436	169,835
Total comprehensive income for the period	-	38,250	38,250
Dividend paid	-	(9,548)	(9,548)
Balance at 30 September 2011	47,399	151,138	198,537
Total comprehensive income for the period	-	11,409	11,409
Balance at 31 December 2011	**47,399**	**162,547**	**209,946**

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Company	Share capital S$'000	Retained profits S$'000	Total S$'000
Balance at 1 January 2010	47,399	23,139	70,538
Total comprehensive income for the period	-	6,325	6,325
Dividend paid	-	(6,366)	(6,366)
Balance at 30 September 2010	47,399	23,098	70,497
Total comprehensive income for the period	-	(313)	(313)
Balance at 31 December 2010	47,399	22,785	70,184
Balance at 1 January 2011	47,399	22,785	70,184
Total comprehensive income for the period	-	15,664	15,664
Dividend paid	-	(9,548)	(9,548)
Balance at 30 September 2011	47,399	28,901	76,300
Total comprehensive income for the period	-	5	5
Balance at 31 December 2011	**47,399**	**28,906**	**76,305**

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.

	31-Dec-11	31-Dec-10
Total number of ordinary shares issued and fully paid	**636,560,000**	636,560,000

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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

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial information for the current financial year compared with those for the audited financial statements for the year ended 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 following are the new or amended FRSs that are relevant to the Group:

INT FRS 115 Agreements for the Construction of Real Estate
Revised FRS 24 Related Party Disclosures
Improvements to FRSs issued in 2010

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, including INT FRS 115 - *Agreements for the Construction of Real Estate* that was issued with an Accompanying Note that considers the application of the interpretation for uncompleted residential projects under Singapore legal framework..

INT FRS 115 clarifies when revenue and related expenses from a sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. INT FRS 115 determines that contracts which are not classified as construction contracts in accordance with FRS 11 can only be accounted for under the percentage of completion (POC) method if the entity continuously transfers to the buyer control and the significant risks and rewards of the work in progress in its current state as construction progresses.

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The Group has considered the application of INT FRS 115 and the accompanying note issued specifically in the context of the sale of development properties in Singapore, and concluded it will continue to adopt the POC method of revenue recognition for its Singapore residential development projects which are governed under the Housing Developers (Control and Licensing) Act (the "HDA") and under the progressive payment scheme.

On the same basis, sale of Singapore mixed residential/commercial projects which are governed under the HDA and under the progressive payment scheme, will be recognised on a POC method. Currently, all projects undertaken by the Group are under the progressive payment scheme.

Unlike standard residential projects, sale of commercial projects are governed under the Sale of Commercial Properties Act (the "SCPA"). Revenue and related expenses are recognised upon completion of construction of the commercial projects.

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

	Fourth quarter ended 31 Dec		Full year ended 31 Dec	
Earnings per share for the financial year	**2011**	**2010**	**2011**	**2010**
(a) Based on the weighted average number of ordinary shares in issue (cents)	**1.79**	1.89	**7.80**	6.72
(b) On fully diluted basis (cents)	**1.79**	1.89	**7.80**	6.72
Profit attributable to equity holders of the Company ($'000)	**11,409**	12,009	**49,659**	42,782
Weighted average number of shares (' 000)	**636,560**	636,560	**636,560**	636,560

The Company did not have any stock options or dilutive potential ordinary shares during the periods ended 31 December 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

	Group		**Company**	
	31-Dec-11	31-Dec-10	**31-Dec-11**	31-Dec-10
Net asset value per ordinary shares based on total issued 636,560,000 ordinary shares (cents)	**32.98**	**26.68**	**11.99**	**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 December 2011, the fair value of these properties was estimated to be $416.9 million (31 December 2010: $326.6 million) based on the valuation carried out by an independent valuer on 31 December 2011, on an open market value and existing use basis. The revaluation surplus is estimated to be approximately $343.0 million (31 December 2010: $256.3 million). Had this revaluation surplus been recorded the Group's revalued net asset value ("RNAV") per share would have been as follows:

	Group	
	31-Dec-11	31-Dec-10
RNAV per ordinary share based on total issued 636,560,000 ordinary shares (cents)	**86.87**	**66.95**

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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

GROUP	4Q2011 S$'000		4Q2010 S$'000		Change %	FY2011 S$'000		FY2010 S$'000		Change %
REVENUE										
Property Development	**29,440**	70%	35,253	74%	-16%	**132,596**	72%	169,128	77%	-22%
Hotel Ownership	**12,271**	29%	11,437	24%	7%	**48,420**	26%	44,484	21%	9%
Property Investment	**403**	1%	844	2%	-52%	**2,635**	2%	3,265	2%	-19%
	42,114	100%	47,534	100%	-11%	**183,651**	100%	216,877	100%	-15%
GROSS PROFIT										
Property Development	**6,929**	43%	8,294	50%	-16%	**27,383**	43%	37,033	53%	-26%
Hotel Ownership	**8,646**	55%	7,693	46%	12%	**34,083**	54%	31,057	44%	10%
Property Investment	**244**	2%	637	4%	-62%	**1,793**	3%	2,372	3%	-24%
	15,819	100%	16,624	100%	-5%	**63,259**	100%	70,462	100%	-10%
GROSS PROFIT MARGIN (%)										
Property Development	**24%**		24%		-	21%		22%		-1ppt
Hotel Ownership	**70%**		67%		3ppt	70%		70%		-
Property Investment	**61%**		75%		-14ppt	68%		73%		-5ppt
Total	**38%**		35%		3ppt	34%		32%		2ppt
PROFIT BEFORE TAXATION										
Property Development	**5,325**	38%	6,436	41%	-17%	**21,295**	36%	**30,685**	58%	-31%
Hotel Ownership	**4,367**	31%	3,357	21%	30%	**13,722**	23%	**11,409**	21%	20%
Property investment	**4,214**	31%	5,989	38%	-30%	**23,507**	41%	**11,138**	21%	111%
	13,906	100%	15,782	100%	-12%	**58,524**	100%	**53,232**	100%	10%

n/m: Not meaningful

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4Q2011 vs 4Q2010

(i) Revenue

The Group achieved revenue of $42.1 million in 4Q2011, 11% lower as compared to $47.5 million in 4Q2010. The decline was the result of 16% and 52% decrease in revenue respectively from the Property Development segment and the Property Investment segment, partly offset by 7% increase in revenue from the Hotel Ownership segment in 4Q2011.

(a) Property Development

Revenue from the Property Development segment, which made up of 70% of the Group's turnover, fell 16% from $35.3 million in 4Q2010 to $29.4 million in 4Q2011, largely due to the absence of revenue recognised from two development projects, namely The Ambrosia and The Florentine that were completed in 2010 and 2Q2011 respectively.

The Group recognised revenue from seven development projects in 4Q2011, namely, The Azzuro, The Verte, Nova 48, Nova 88, The Lucent, Studios@Tembeling and Spottiswoode 18. It has obtained TOP for three of its projects, The Lucent and The Azzuro in November 2011 as well as Nova 48 in December 2011.

(b) Hotel Ownership and Property Investment

The remaining 30% of the Group's turnover in 4Q2011 was attributable to the Group's Hotel Ownership and Property Investment segments. Revenue from the Hotel Ownership segment increased 7% to $12.3 million in 4Q2011 from $11.4 million in 4Q2010. The hotel's average occupancy rate ("AOR") improved from 93.6% in 4Q2010 to 96.1% in 4Q2011. Its average room rate ("ARR") was also up 10.6% to $188.2 in 4Q2011 as compared to $170.1 in 4Q2010. Overall, the Group's revenue per available room ("RevPar") increased by 13.6% from $159.2 in 4Q2010 to $180.9 in the current quarter.

Revenue from the Group's Property Investment segment, which constituted 1% of Group's turnover, slipped by 52% for the current quarter compared to 4Q2010. The dip was mainly due to the expiry or termination of leases on or before 31 Aug 2011 as a result of redevelopment of Kovan Centre.

(ii) Cost of sales and gross profit

In line with the decrease in revenue, direct cost of total revenue also decreased by $4.6 million or 15% from $30.9 million in 4Q2010 to $26.3 million in 4Q2011.

During the quarter, gross profit from the Property Development segment contributed $6.9 million or 43% of the total gross profit of the Group, with the balance 57% or $8.9 million contributed from the Hotel Ownership and Property Investment segments. The gross profit margin for the Property Development segment remains stable at 24% in 4Q2010 and 4Q2011. The gross profit margin of the Hotel Ownership segment improved by 3 percentage points from 67% in 4Q2010 to 70% in the current quarter due to higher RevPar of the hotel. Gross profit margin of the Property Investment segment decreased by 14 percentage points from 75% in 4Q2010 to 61% in the current quarter due to cessation of rental income from Kovan Centre in 4Q2011.

Overall, the Group's gross profit margin in 4Q2011 increased by 3 percentage points from 35% in 4Q2010 to 38% in 4Q2011. The increase was mainly due to higher percentage revenue contribution from the Hotel Ownership segment which has a higher gross profit margin than that of the Property Development segment.

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(iii) Profit for the period

The Group's other operating income in 4Q2011 decreased to $4.3 million from $5.8 million in 4Q2010 largely due to a lower fair value gain on investment properties of $3.9 million in 4Q2011 as compared to $5.6 million in 4Q2010.

Distribution and selling expenses increased from $0.4 million in 4Q2010 to $0.5 million in 4Q2011 mainly due to increase in marketing expenses, which was in line with the increase in hotel's turnover.

Administrative expenses decreased from $2.9 million in 4Q2010 to $2.3 million in 4Q2011 mainly due to lower directors' remuneration, which is in line with the lower profitability for the current quarter.

Depreciation expenses increased from $0.5 million in 4Q2010 to $0.8 million in 4Q2011 mainly due to depreciation charge in December 2011 upon the completion of hotel upgrading works.

Finance costs decreased from $1.5 million in 4Q2010 to $1.4 million in 4Q2011 mainly due to repayment of working capital loan and also lower interest rate on bank borrowings.

The Group's share of losses of associates in 4Q2011 was mainly attributable to losses incurred in certain associates due to borrowing costs incurred on land purchase that have not commenced development.

The Group's pre-tax profit decreased by 12% or $1.9 million from $15.8 million in 4Q2010 to $13.9 million in the current quarter.

Profit after taxation decreased by $0.6 million or 5% to $11.4 million in the current quarter.

<u>FY2011 vs FY2010</u>

(i) Revenue

For the full year ended 31 December 2011, the Group achieved revenue of $183.7 million, 15% lower against $216.9 million in FY2010. The decline was the result of 22% and 19% decrease in revenue respectively from the Property Development segment and the Property Investment segment, partly offset by 9% increase in revenue from the Hotel Ownership segment.

(a) Property Development

Revenue from the Property Development segment, which made up of 72% of the Group's turnover, fell 22% from $169.1 million in FY2010 to $132.6 million in FY2011, largely due to the absence of revenue recognised from three development projects, namely The Ambrosia, The Adara and The Ambra, that were completed in 2010.

The Group recognised revenue from ten development projects in FY2011, namely, The Florentine, Nova 88, Nova 48, The Lucent, The Azzuro, The Verte, Studios@Tembeling, Jupiter 18, Straits Residences and Spottiswoode 18.

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The Group has obtained TOP for four of its projects, namely The Florentine in May 2011, The Lucent and The Azzuro in November 2011 as well as Nova 48 in December 2011.

(b) Hotel Ownership and Property Investment

The remaining 28% of the Group's turnover in FY2010 was attributable to the Group's Hotel Ownership and Property Investment segments. Revenue from the Hotel Ownership segment grew 9% to $48.4 million in current year from $44.5 million in FY2010 as a result of improved AOR and ARR. The hotel's AOR improved from 94.2% in FY2010 to 94.6% in FY2011. Its ARR was also up 13.2% to $188.3 in FY2011 as compared to $166.4 in FY2010. Overall, the Group's RevPar increased by 13.7% from $156.7 in FY2010 to $178.1 in FY2011.

Revenue from the Property Investment segment, which constituted the 2% of Group's turnover, decreased by 19% in the current year compared to FY2010. The decrease was mainly due to the expiry or termination of leases on or before 31 Aug 2011 as a result of redevelopment of Kovan Centre.

(ii) Cost of sales and gross profit

In line with the lower revenue achieved, direct cost of total revenue in FY2011 decreased by $26.0 million or 18% from $146.4 million in FY2010 to $120.4 million in FY2011.

During the current financial year, gross profit from the Property Development segment contributed $27.4 million or 43% of the total gross profit of the Group, with the balance 57% or $35.9 million contribution from the Hotel Ownership and Property Investment segments. The gross profit margin for the Property Development segment decreased marginally by 1 percentage point from 22% in the FY2010 to 21% in FY2011.

Overall, the Group's gross profit margin in FY2011 improved by 2 percentage points from 32% in FY2010 to 34% in FY2011 due to higher percentage revenue contribution from the Hotel Ownership segment which has a higher gross profit margin than that of the Property Development segment.

(iii) Profit for the year

The Group's other operating income in FY2011 increased from $10.4 million in FY2010 to $24.9 million in FY2011 largely due to a higher fair value gain of $13.5 million on its investment properties in FY2011 as compared to $10.0 million in FY2010 as well as the fair value gain of $9.6 million arising from the transfer of Kovan Centre (1) from Investment Property to Development Property on 31 August 2011.

(1) *Kovan Centre is currently being demolished to give way to the construction of Space@Kovan, a strata-titled mixed development which has been fully sold. Following the termination notices duly served by the Group, all tenants at Kovan Centre have handed over their units on or before 31 August 2011. In accordance with FRS 40 – Investment Property, Kovan Centre was transferred from Investment Property as a result of a change of use and the transfer was effected based on the property's fair value as at 31 August 2011. The fair value was determined based on the valuation carried out by an independent valuer on 31 August 2011. The resulting gain arising from the difference between the fair value and the previous carrying amount of Kovan Centre was recognised in profit or loss in accordance with FRS 40.*

Distribution expenses increased from $1.9 million in FY2010 to $2.0 million in FY2011 mainly due to the increase in marketing expenses, which was in line with the increased in hotel's turnover.

Administrative expenses increased from $10.8 million in FY2010 to $12.3 million in FY2011 mainly due to overall higher directors' remuneration, which is in line with the higher profitability for the current year.

The Group's higher share of results of associates in 2011 was mainly attributable to profit recognition since 3Q2010 from Haig 162, a joint venture development project.

The Group's pre-tax profit improved by 10% or $5.3 million from $53.2 million in FY2010 to $58.5 million in 2011.

Profit after taxation improved by $6.9 million or 16% to $49.7 million for the current financial year.

(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 December 2011, this amounted to $122.7 million and represented 16% of the total assets. Investment properties accounted for $44.7 million or 36% of total non-current assets as at 31 December 2011. The decrease in investment properties from $78.8 million as at 31 December 2010 to $44.7 million as at 31 December 2011 was due to the transfer of Kovan Centre from Investment Property to Development Property.

Property, plant and equipment accounted for $73.9 million or 60% of total non-current assets as at 31 December 2011. The increase from $70.4 million as at 31 December 2010 to $73.9 million as at 31 December 2011 was mainly due to upgrading works at its hotel as well as conversion of 2 shop units at Roxy Square to office use.

Investment in associates increased from $1.6 million as at 31 December 2010 to $2.4 million as at 31 December 2011. The increase was mainly due to additional investment in an associate in 2Q2011.

At Company level, the increase in investments in subsidiaries from $40.4 million as at 31 December 2010 to $43.4 million as at 31 December 2011 was due to the increase in the Company's investment in three subsidiaries during the year.

The Group's current assets comprise mainly properties for sale under development, trade and other receivables and cash and bank balances. As at 31 December 2011, this amounted to $625.9 million and represented 84% of the total assets. Properties for sale under development accounted for $329.9 million or 53% of total current assets as at 31 December 2011. The increase in properties for sale under development from $235.3 million as at 31 December 2010 to $329.9 million as at 31 December 2011 was mainly due to the completion of the purchase of 4 development sites at 80 and 116 Changi Road, Mackenzie Road, 103 – 105 Lorong N Telok Kurau and costs incurred on development projects under construction.

Trade receivables amounted to $38.0 million as at 31 December 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 increase in trade receivables from $24.8 million as at 31 December 2010 to $38.0 million as at 31 December 2011 was mainly due to higher receivables and unbilled revenue portion of the recognised sales from the 4 projects which have obtained TOP this year.

Other receivables comprise mainly deposits, prepayments and other receivables. The decrease in other receivables from $16.3 million as at 31 December 2010 to $1.7 million as at 31 December 2011 was mainly due to reclassification of development charge incurred for Space@Kovan to property for sale under development, following the transfer of Kovan Centre mentioned above and the transfer of deposit for the land purchase at 116 Changi in FY2010 to property for sale under development in FY2011.

Amounts due from associates comprise mainly advances to associates for working capital. The increase was mainly due to advances to associate companies for land purchase and land premium for lease extension.

At Company level, the increase in amounts due from subsidiaries was mainly due to funding for the purchase and development of 3 new projects – 80 Changi Road, Mackenzie Road and 103 – 105 Lorong N Telok in FY2011.

As at 31 December 2011, project accounts, fixed deposits and cash and cash equivalents amounted to $228.2 million.

The Group recorded a net cash outflows from operating activities of $2.1 million in FY2011, as compared with net cash outflows of $31.4 million in FY2010. This was mainly due to the increase in the properties for sale under development in FY2010 of $103.8 million as compared to $38.5 million in FY2011.

In the financial year ended 31 December 2011, the Group recorded net cash outflows from investing activities of $18.8 million, mainly due to advances to associates for land purchase and land premium for lease extension as well as upgrading of hotel during the year.

During the same period, the net cash inflows from financing activities of $91.1 million were mainly due to proceeds from land and construction loans, partially offset by repayment of development loans of completed projects and dividend paid to shareholders.

The Group's current liabilities comprise trade payables, other payables, provision for taxation and bank borrowings. As at 31 December 2011, this amounted to $434.4 million and represented 81% of the total liabilities. The increase in trade payables from $7.7 million as at 31 December 2010 to $9.4 million as at 31 December 2011 was mainly due to progressive claims from contractors for the projects during the current financial year. Other payables comprise mainly deposits, accruals for construction costs for completed projects, accrual of unbilled progress claims from contractors, hotel management fees and provision for performance bonuses. The decrease in other payables from $26.2 million as at 31 December 2010 to $22.3 million as at 31 December 2011 was mainly due to the reclassification of booking fees received from the sale of Space@Kovan to properties for sale under development following the transfer of Kovan Centre mentioned above.

As at 31 December 2011, the Group's total borrowings amounted to $481.7 million with $151.1 million repayable within one year and $330.6 million repayable after one year. Of the $151.1 million borrowings repayable within one year, $84.4 million relates to sold development properties and is expected to be fully repaid by 31 December 2012 upon obtaining TOP and collections from purchasers. The increase in the total borrowings as at 31 December 2011 as compared to the balance as at 31 December 2010 was mainly due to loans drawdown for land acquisitions in the financial year ended 31 December 2011, partially offset by the repayment of development loans of completed projects and construction loans during the year.

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 third quarter and the nine months ended 30 September 2011.

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

<u>Property Development</u>

According to the Ministry of Trade and Industry's ("MTI") announcement on 3 January 2012, the Singapore economy grew by 4.8% on a year-on-year basis in 4Q2011, compared to the growth of 5.9% in the previous quarter. For the whole of 2011, the economy is estimated to have expanded by 4.8%. MTI expects the Singapore economy to grow by 1.0 – 3.0% in 2012.

In addition, based on latest statistics released by Urban Redevelopment Authority on 27 January 2012, the private housing price increase continues to slow down in 4Q2011. The rate of price increase has continued to moderate for nine consecutive quarters since 4th Quarter 2009. The private residential property prices increase by 0.2% in 4Q2011, compared to the 1.3% increase in the previous quarter. For the year 2011 as a whole, prices of private residential properties increased by 5.9% significantly lower than the 17.6% increase in 2010.

The Singapore government imposed the latest round of cooling measures which took effect on 8 December 2011. The Additional Buyer's Stamp Duty ("ABSD"), ranging from 3% to 10%, imposed on certain categories of residential property purchases, is expected to moderate further investment demand for private residential properties.

The slowdown in the Singapore economy, uncertainties in the global economic outlook, coupled with the latest government measures to curb property speculation had affected the general property market sentiments.

As of 15th February 2012, the Group continued to enjoy a high earning visibility and it has accumulated a balance amount of attributable progress billings of approximately $598.6 million from the following projects which will be progressively recognised from 1Q2012 to FY2015.

Project name	**Group's stake**	**No. of units in the project**	**% sold**	**Attributable total sale value (1) ($'m)**	**Attributable revenue recognised @31 Dec 2011 ($'m)**	**Balance attributable progress billings to be recognised from 1Q2012 ($'m)**
Verte	100%	36	100%	51.1	48.2	2.9
Nova 88	100%	88	100%	75.7	69.1	6.6
Haig 162	45%	99	100%	26.3	6.6	19.7
Straits Residences	100%	30	100%	20.1	2.3	17.8
Studios@Tembeling	100%	25	100%	18.5	10.4	8.1
Jupiter 18	100%	53	100%	35.8	5.3	30.5
Spottiswoode 18	100%	251	95%	234.3	10.7	223.6
Space@Kovan	100%	196	100%	159.7	-	159.7
Nottinghill Suites	45%	124	53%	22.2	-	22.2
Wis@Changi	100%	83	21%	13.1	-	13.1
Centropod@Changi (2)	100%	192	68%	75.2	-	75.2
Treescape (3)	100%	30	66%	19.2	-	19.2
Total		1,207		751.2	152.6	598.6

(1) Based on Option to Purchase granted up to 15th February 2012

(2) Launched in December 2011

(3) Launched in February 2012

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In addition, the Group has the following plots of land with a total attributable gross floor area of approximately 14,184 sqm for development:

Project name / Location / Description	**Approximate Land Area**	**Approximate Gross Floor Area**	**Group's stake**	**Approximate Attributable Gross Floor Area**	**Approximate Attributable Land Cost [1]**
	(sqm)	**(sqm)**	**%**	**(sqm)**	**$'m**
Eon Shenton (70 Shenton Way)	1,840	20,360	20%	4,072	40.1
Millage (55 Changi Road)	1,810	5,760	48%	2,765	21.8
The MKZ (131 Mackenzie Road)	1,198	2,516	100%	2,516	24.7
Natura@Hillview (12, 14, 16, 18, 20, 22 Hillview Terrace)	5,135	9,859	49%	4,831	33.9
	9,983	38,495		14,184	120.5

[1] includes estimated state land premium and development charge, if any

The approximate attributable gross floor area for these land plots is 14,184 sqm.

Notwithstanding an economic downturn and ongoing policy intervention in the property market, the Group enjoyed good earnings growth with its well-balanced property portfolio. Together with a landbank of 14,184 sqm and a focused and experience management team, the Group will continue to exercise prudence as it seize future suitable opportunities in the residential, commercial and mixed-use developments segments.

Hotel Ownership

The latest tourism statistics released by the Singapore Tourism Board on 7th February 2012 shows that visitors arrivals to Singapore for 2011 stood at 13.2 million, achieving a new high and exceeding the year's forecast range of 12 – 13 million.

The overall hotel industry has benefited from the continual high number of visitors' arrivals in Singapore since December 2010. The Group believes that demand for the hotel rooms should continue to be strong going into 2012.

Outlook

Barring any unforeseen circumstances, the directors expect the Group to be profitable in 2012.

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11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Proposed Final
Dividend Type	Cash (Ordinary)
Dividend Rate	2.0 cents per ordinary share
Tax Rate	Tax exempt (one-tier tax)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Proposed Final
Dividend Type	Cash (Ordinary)
Dividend Rate	1.5 cents per ordinary share
Tax Rate	Tax exempt (one-tier tax)

(c) Date payable

Subject to shareholders' approval at the Annual General Meeting to be held on 30 March 2012, the proposed final dividend will be paid on 23 April 2012.

(d) Books closure date

Share Transfer Books and Register of Members of the Company will be closed from 10 April 2012 after 5:00 pm to 11 April 2012 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, KCK CorpServe Pte. Ltd. of 333 North Bridge Road #08-00, KH KEA Building, Singapore 188721 up to 5:00 pm on 10 April 2012 will be registered to determine shareholders' entitlements to the said proposed Final Dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5:00 pm on 10 April 2012 will be entitled to the abovementioned proposed dividend.

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

Not applicable

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

	Hotel Ownership		**Property Development**		**Property Investment**		**Group**	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Revenue								
-External	**48,420**	44,484	**132,596**	169,128	**2,635**	3,265	**183,651**	216,877
Total revenue	**48,420**	44,484	**132,596**	169,128	**2,635**	3,265	**183,651**	216,877
Segment results	**15,784**	13,428	**23,099**	32,647	**1,102**	1,473	**39,985**	47,548
Interest income	**229**	113	**93**	93	**13**	15	**335**	221
Finance cost	**(2,291)**	(2,132)	**(2,185)**	(2,110)	**(174)**	(228)	**(4,650)**	(4,470)
Fair value gain on investment properties	**-**	-	**-**	-	**23,015**	9,951	**23,015**	9,951
Fair value loss on interest rate swaps	**-**	-	**-**	-	**(449)**	(73)	**(449)**	(73)
Share of profit of associates	**-**	-	**288**	55	**-**	-	**288**	55
Profit before tax	**13,722**	11,409	**21,295**	30,685	**23,507**	11,138	**58,524**	53,232
Taxation							**(8,865)**	(10,450)
Profit for the year							**49,659**	42,782

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

Please refer to paragraph 8 above.

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15. A breakdown of sales

	Group		
	FY2011 $'000	**FY2010 $'000**	**% Increase/(decrease)**
(a) Sales reported for first half year	97,127	116,283	-16%
(b) Operating profit after tax before deducting minority interest reported for the first half year	24,893	21,896	14%
(c) Sales reported for second half year	86,524	100,594	-14%
(d) Operating profit after tax before deducting minority interest reported for the second half year	24,766	20,887	19%

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

	Total Annual Dividend	
	FY2011 $'000	FY2010 $'000
Ordinary		
Interim Dividend	-	-
Proposed Final Dividend	12,731	9,548
Total	12,731	9,548

17. Interested Person Transactions

The Company does not have a shareholders' mandate for interested person transactions.

Roxy-Pacific
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18. Report of persons occupying managerial positions who are related to a director, chief executive officer or substantial shareholder

Pursuant to Rule 704 (13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we set out below the persons holding managerial positions in the Group who are related to the directors, chief executive officer or substantial shareholders of the Company or of any of its principal subsidiaries:

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Teo Hong Lim	45	Brother of Teo Hong Yeow Chris, Teo Hong Hee and Teo Hong Wee.	Executive Chairman & CEO with effect from 20 May 1993. Overall in-charge of Group's Strategies and Management.	Nil
Teo Hong Wee	48	Brother of Teo Hong Yeow Chris, Teo Hong Hee and Teo Hong Lim.	Executive Director with effect from 14 November 1991. In-charge of Projects of the Group.	Nil
Teo Hong Hee	50	Brother of Teo Hong Yeow Chris, Teo Hong Wee and Teo Hong Lim.	Executive Director with effect from 30 August 1989. In-charge of Group's Administration and Human Resource.	Nil
Teo Hong Yeow Chris	51	Brother of Teo Hong Hee, Teo Hong Wee and Teo Hong Lim.	Managing Director with effect from 16 July 2001. Overall in-charge of Hotel Ownership Business.	Nil

ON BEHALF OF THE BOARD

Teo Hong Lim
Chairman & CEO

Koh Seng Geok
Executive Director & CFO

16 February 2012
Singapore