



**Roxy-Pacific
Holdings Limited**

ROXY-PACIFIC HOLDINGS LIMITED

(Registration Number: 196700135Z)

UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS
AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30
SEPTEMBER 2013



**UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

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UNAUDITED THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

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

	Third quarter ended 30 Sep			Nine months ended 30 Sep		
	2013	2012	Change	2013	2012	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	76,718	43,551	76%	199,354	134,367	48%
Cost of sales	(51,189)	(26,288)	95%	(132,113)	(79,921)	65%
Gross profit	25,529	17,263	48%	67,241	54,446	24%
Other operating income	460	356	29%	7,303	5,944	23%
Distribution expenses	(553)	(563)	-2%	(1,540)	(1,754)	-12%
Administrative expenses	(3,425)	(2,739)	25%	(10,159)	(8,209)	24%
Other operating expenses	(3,215)	(3,068)	5%	(9,287)	(9,013)	3%
Finance costs	(1,709)	(1,250)	37%	(4,385)	(3,290)	33%
Share of profit of associates (net of income tax)	2,728	705	287%	6,838	1,411	385%
Profit before taxation	19,815	10,704	85%	56,011	39,535	42%
Taxation	(3,730)	(2,523)	48%	(8,569)	(4,577)	87%
Profit after taxation	16,085	8,181	97%	47,442	34,958	36%
Other comprehensive income						
Net change in Fair value of available-for-sale financial asset	86	-	n/m	86	-	n/m
Net change in fair value of available-for-sale financial assets transferred to profit and loss account	-	-	n/m	(167)	-	n/m
Tax on other comprehensive income	(15)	-	n/m	(15)	-	n/m
Other comprehensive income after tax	71	-	n/m	(96)	-	n/m
Total comprehensive income for the period	16,156	8,181	97%	47,346	34,958	35%
Attributable to:						
Equity holders of the Company	16,155	8,182	97%	47,344	34,959	35%
Non-controlling interests	1	(1)	-200%	2	(1)	-300%
	16,156	8,181	97%	47,346	34,958	35%

n/m: Not meaningful

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

	Third quarter ended 30 September			Nine months ended 30 September		
	2013 S\$'000	2012 S\$'000	Change %	2013 S\$'000	2012 S\$'000	Change %
after charging:						
Impairment loss on trade receivables	-	-	n/m	27	-	100%
Depreciation of property, plant and equipment	548	577	-5%	1,653	1,780	-7%
Directors' fees	39	39	-	117	117	-
Interest on borrowings	1,709	1,250	37%	4,385	3,290	33%
Staff costs (including directors' remuneration)						
- salaries, wages and bonuses	4,665	4,561	2%	13,914	12,838	8%
- contribution to defined contribution plans	244	233	5%	730	670	9%
- other personnel expenses	384	371	4%	1,051	962	9%
and crediting:						
Fair value gain on investment properties	-	-	n/m	5,327	4,403	21%
Fair value gain on interest swaps	75	139	-46%	223	179	25%
Gain on disposal of available-for sale financial assets	-	-	n/m	596	-	n/m
Over provision for tax in respect of prior year	-	-	n/m	-	2,397	-100%
Impairment loss on loan to an associate written back	-	-	n/m	46	-	n/m
Income from hotel money exchange operations	5	5	-	16	19	-16%
Interest income	224	143	57%	508	395	29%

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

	GROUP		COMPANY	
	30-Sep-13 S\$'000	31-Dec-12 S\$'000	30-Sep-13 S\$'000	31-Dec-12 S\$'000
ASSETS				
Non-Current				
Goodwill	1,672	1,672	-	-
Property, plant and equipment	82,501	76,147	55	47
Available for sale financial assets	2,158	1,684	-	-
Investments in subsidiaries	-	-	47,343	47,343
Investments in associates	14,069	6,837	-	-
Investment properties	66,032	61,247	-	-
	166,432	147,587	47,398	47,390
Current				
Properties for sale under development ⁽¹⁾	551,929	455,807	-	-
Inventories	112	134	-	-
Trade receivables	22,581	24,073	8	17
Other receivables	55,342	42,517	8,260	150
Amount due from subsidiaries	-	-	72,505	45,736
Project accounts	186,701	131,534	-	-
Fixed deposits	89,987	47,128	58,251	17,635
Cash and bank balances	70,518	75,354	32,793	45,249
	977,170	776,547	171,817	108,787
Total assets	1,143,602	924,134	219,215	156,177
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	47,399	47,399	47,399	47,399
Fair value reserve	71	144	-	-
Retained earnings	237,302	206,038	38,979	54,519
Equity attributable to owners of the Company	284,772	253,581	86,378	101,918
Non-controlling interests	200	199	-	-
	284,972	253,780	86,378	101,918
Liabilities				
Non-Current				
Bank borrowings (secured)	114,776	77,481	-	-
Deferred tax liabilities	18,675	12,176	-	-
	133,451	89,657	-	-
Current				
Trade payables	16,439	9,588	28	335
Other payables	28,075	25,070	5,146	6,320
Amount due to subsidiaries	-	-	123,523	43,511
Provision for taxation	7,781	12,151	140	93
Bank borrowings (secured)	672,884	533,888	4,000	4,000
	725,179	580,697	132,837	54,259
Total liabilities	858,630	670,354	132,837	54,259
Total equity and liabilities	1,143,602	924,134	219,215	156,177

⁽¹⁾ \$402.3 million (31-Dec-12: \$254.4 million) relates to the Group's sold development properties as at 30 September 2013.



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

	<u>30-Sep-13</u>		<u>31-Dec-12</u>	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Current				
- Amount repayable in one year or less, or on demand	298,762	(i) -	207,819	-
- Amount repayable after one year but within the normal operating cycle of Property Development segment	374,122	-	326,069	-
	672,884	-	533,888	-
Non-current				
Amount repayable after one year	114,776	-	77,481	-
	787,660	-	611,369	-

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) Guarantee by the Company;
- e) Properties for sale under development; and
- f) Proceeds from sales of properties under development.

- (i) \$217.0 million relates to our sold development projects properties and is expected to be fully repaid by 30 September 2014 upon obtaining Temporary Occupation Permits ("TOP") and collections from buyers of properties.



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

	Third quarter ended 30 Sep		Nine months ended 30 Sep	
	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000
Cash Flows from Operating Activities				
Profit before taxation	19,815	10,704	56,011	39,535
Adjustments for:				
Depreciation of property, plant and equipment	548	577	1,653	1,780
Fair value (gain) / loss on held for trading investment	-	13	-	13
Fair value gain on interest rate swaps	(76)	(139)	(223)	(179)
Share of associates' results	(2,728)	(705)	(6,838)	(1,411)
Interest income	(224)	(143)	(508)	(395)
Interest expense on bank borrowings	3,782	2,674	10,852	7,333
Fair value gain on investment properties	-	-	(5,327)	(4,403)
Reversal of impairment loss on advances to associate	-	-	(46)	-
Gain on disposal of available-for-sale financial asset	-	-	(596)	-
Foreign exchange loss	31	-	31	-
Operating profit before working capital changes	21,148	12,981	55,009	42,273
Changes in inventories	15	(15)	22	5
Changes in operating receivables	(3,039)	2,630	1,263	7,021
Changes in operating payables	11,082	1,822	10,006	(3,499)
Changes in properties for sale under development	9,012	(13,920)	(96,122)	50,295
Cash generated from/(used in) operations	38,218	3,498	(29,822)	96,095
Income tax paid	(2,454)	(1,938)	(6,440)	(3,592)
Net cash generated from/(used in) operating activities	35,764	1,560	(36,262)	92,503
Cash Flows from Investing Activities				
Investment in associates	-	(412)	(189)	(918)
Investment in quoted equity shares	(1,342)	-	(2,419)	(709)
Proceeds from sale of share	-	-	2,507	-
Advances to associates	(15,442)	(1,698)	(12,814)	(2,506)
Acquisition of property, plant and equipment	(1,305)	(1,047)	(7,465)	(1,464)
Acquisition of investment property	-	-	-	(1,002)
Interest received	224	142	508	395
Net cash used in investing activities	(17,865)	(3,015)	(19,872)	(6,204)
Cash Flows from Financing Activities				
Proceeds from borrowings	36,114	44,349	223,763	44,349
Repayment of borrowings	(19,138)	(19,212)	(47,471)	(92,629)
Proceeds from issue of shares to non-controlling interest	-	200	-	200
Fixed deposit released/(pledged) to banks and financial institutions	-	800	383	413
Interest paid	(3,881)	(2,249)	(10,793)	(6,917)
Dividend paid	(7,352)	(6,398)	(16,175)	(19,129)
Net cash generated from /(used in) financing activities	5,743	17,490	149,707	(73,713)



	Third quarter ended 30 Sep		Nine months ended 30 Sep	
	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000
Net increase in cash and cash equivalents	23,642	16,035	93,573	12,586
Cash and cash equivalents at beginning of period	323,148	224,748	253,217	228,197
Cash and cash equivalents at end of period	346,790	240,783	346,790	240,783
Analysis of cash and cash equivalents:-				
Project accounts (Note 1)	89,201	38,471	89,201	38,471
Fixed deposits in project accounts (Note 1)	97,500	92,000	97,500	92,000
Fixed deposits	89,987	66,624	89,987	66,624
Cash and bank balances	70,518	44,487	70,518	44,487
Less: Fixed deposits pledged to banks and financial institution	(416)	(799)	(416)	(799)
	346,790	240,783	346,790	240,783

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	Fair value reserve	Retained profits	Equity attributable to owners of the Company	Non-Controlling Interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2012						
As previously reported	47,399	-	162,547	209,946	-	209,946
Impact of adoption of amendments to FRS 12	-	-	4,317	4,317	-	4,317
As restated	47,399	-	166,864	214,263	-	214,263
Total comprehensive income for the period	-	-	26,777	26,777	-	26,777
Dividend paid			(12,731)	(12,731)		(12,731)
Balance at 30 June 2012	47,399	-	180,910	228,309	-	228,309
Total comprehensive income for the period	-	-	8,182	8,182	(1)	8,181
Capital contribution by non-controlling interests	-	-	-	-	200	200
Dividend paid	-	-	(6,398)	(6,398)	-	(6,398)
Balance at 30 September 2012	47,399	-	182,694	230,093	199	230,292
Balance at 1 January 2013	47,399	144	206,038	253,581	199	253,780
Profit for the period	-	-	31,358	31,358	-	31,358
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	-	27	-	27	-	27
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	(167)	-	(167)	-	(167)
Tax on other comprehensive income	-	(4)	-	(4)	-	(4)
Total other comprehensive income for the period	-	(144)	31,214	-	199	-
Dividend paid	-	-	(8,825)	(8,825)	-	(8,825)
Balance at 30 June 2013	47,399		228,571	275,970	199	276,169
Profit for the period	-	-	16,085	16,085	1	16,086
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	-	86	-	86	-	86
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	-	-	-
Tax on other comprehensive income	-	(15)	-	(15)	-	(15)
Total other comprehensive income for the period	-	71	-	71	-	71
Dividend paid	-	-	(7,354)	(7,354)	-	(7,354)
Balance at 30 September 2013	47,399	71	237,302	284,772	200	284,972

	Share capital	Fair value reserve	Retained profits	Equity attributable to owners of the company	Non-controlling Interests	Total
Company	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2012	47,399	-	28,906	76,305	-	76,305
Total comprehensive income for the period	-	-	6,567	6,567	-	6,567
Dividend paid	-	-	(12,731)	(12,731)	-	(12,731)
Balance at 30 June 2012	47,399	-	22,742	70,141	-	70,141
Total comprehensive income for the period	-	-	487	487	-	487
Dividend paid	-	-	(6,397)	(6,397)	-	(6,397)
Balance at 30 September 2012	47,399	-	16,832	64,231	-	64,231
Balance at 1 January 2013	47,399	-	54,519	101,918	-	101,918
Total comprehensive income for the period	-	-	1,035	1,035	-	1,035
Dividend paid	-	-	(8,825)	(8,825)	-	(8,825)
Balance at 30 June 2013	47,399	-	46,729	94,128	-	94,128
Total comprehensive income for the period	-	-	(396)	(396)	-	(399)
Dividend paid	-	-	(7,354)	(7,354)	-	(7,354)
Balance at 30 September 2013	47,399	-	38,979	86,378	-	86,378

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

Share Capital	30-Sep-13	31-Dec-12
		\$'000
As at January 2012	636,560,000	47,399
Issue of bonus shares on 3 May 2012	318,280,000	-
As at 31 December 2012	954,840,000	47,399
Issue of bonus shares on 24 September 2013	238,709,994	-
As at 30 September 2013	1,193,549,994	47,399

On 24 September 2013, 238,709,994 bonus shares were allotted and issued pursuant to the bonus issue at one bonus share for every four existing ordinary shares ("bonus issue").



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>30-Sep-13</u>	<u>31-Dec-12</u>
Total number of ordinary shares issued and fully paid	<u>1,193,549,994</u>	<u>954,840,000</u>

On 24 September 2013, 238,709,994 bonus shares were allotted and issued pursuant to the bonus issue at one bonus share for every four existing ordinary shares (“bonus issue”).

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 2012.

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

Not applicable.



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

Earnings per share (“EPS”) for the financial period	Third quarter ended 30-Sep		Nine months ended 30-Sep	
	2013	2012 *(restated)	2013	2012 *(restated)
(a) Based on the weighted average number of ordinary shares in issue (cents)	1.35	0.69	3.97	2.93
(b) On fully diluted basis (cents)	1.35	0.69	3.97	2.93
Profit attributable to shareholders of the Company (\$'000)	16,155	8,182	47,344	34,959
Weighted average number of shares ('000)	1,193,550	1,193,550	1,193,550	1,193,550

* Comparatives for earnings per share have been restated for bonus issue of shares.

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

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

	Group		Company	
	30-Sep-13	31-Dec-12 *(as restated)	30-Sep-13	31-Dec-12 *(as restated)
Net asset value (“NAV”) per ordinary shares based on total post-bonus issue of 1,193,549,994 ordinary shares (cents)	23.86	21.25	7.24	8.54

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 30 September 2013, our directors estimated that the fair value of these properties was estimated to be \$461.9 million (31 December 2012: \$459.7 million). For the fair value of office premises, it was based on the valuation carried out by an independent valuer on 30 June 2013, on the direct comparison method, investment method and replacement cost method. For interim reporting purposes, the Group carries out a fair valuation of investment properties semi-annually at 30 June. The revaluation surplus is estimated to be approximately \$380.0 million (31 December 2012: \$384.5 million). Had this revaluation surplus been recorded the Group’s adjusted net asset value (“ANAV”) per share would have been as follows:

	Group	
	30-Sep-13	31-Dec-12 *(as restated)
ANAV per ordinary share based on total post-bonus issue of 1,193,549,994 ordinary (cents)	55.70	53.46

* The comparative figures have been adjusted for bonus issue of shares.



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	Third quarter ended		Change Increase/ (Decrease)	Nine months ended		Change Increase / (Decrease)				
	30-Sep			30-Sep						
	2013 S\$'000	2012 S\$'000		2013 S\$'000	2012 S\$'000					
REVENUE										
Property Development	64,092	84%	30,011	69%	114%	163,530	82%	94,547	70%	73%
Hotel Ownership	12,235	16%	13,119	30%	-7%	34,587	17%	38,573	29%	-10%
Property Investment	391	1%	421	1%	-7%	1,237	1%	1,247	1%	-1%
	76,718	100%	43,551	100%	76%	199,354	100%	134,367	100%	48%
GROSS PROFIT										
Property Development	17,204	67%	7,953	46%	116%	43,393	65%	26,776	49%	62%
Hotel Ownership	8,084	32%	9,022	52%	-10%	23,037	34%	26,769	49%	-14%
Property Investment	241	1%	288	2%	-16%	811	1%	901	2%	-10%
	25,529	100%	17,263	100%	48%	67,241	100%	54,446	100%	24%
GROSS PROFIT MARGIN (%)										
Property Development	27%		27%		0ppt	27%		28%		-1ppt
Hotel Ownership	66%		69%		-3ppt	67%		69%		-2ppt
Property Investment	62%		68%		-6ppt	66%		72%		-6ppt
Total	33%		40%		-7ppt	34%		41%		-7ppt
ADJUSTED EBITDA*										
Property Development	19,621	80%	8,457	59%	132%	49,770	73%	28,311	57%	76%
Hotel Ownership	4,702	20%	5,505	39%	-15%	12,944	19%	16,435	33%	-21%
Property investment - Rental income	57	0%	292	2%	-80%	576	1%	866	2%	-33%
Property investment - Fair value gain on investment properties	-	0%	-	0%	n/m	5,327	7%	4,403	8%	21%
	24,380	100%	14,254	100%	71%	68,617	100%	50,015	100%	37%
PROFIT BEFORE TAXATION										
Adjusted EBITDA	24,380		14,254		71%	68,617		50,015		37%
Corporate expenses	(2,532)		(1,866)		36%	(7,672)		(5,805)		32%
Depreciation of property, plant and equipment	(548)		(577)		-5%	(1,653)		(1,780)		-7%
Finance costs, net	(1,485)		(1,107)		34%	(3,877)		(2,895)		34%
Gain on disposal of available-for-sale	-		-		n/m	596		-		n/m
	19,815		10,704		85%	56,011		39,535		42%

* Excludes corporate expenses and gain on disposal of available-for-sale financial assets.



3Q2013 vs 3Q2012

(i) Revenue

The Group achieved revenue of \$76.7 million in 3Q2013, 76% higher as compared to \$43.6 million in 3Q2012. The increase was the result of 114% increase in revenue from the Property Development, partly offset by 7% decrease in revenue from each of the Hotel Ownership segment and Property Investment segment.

(a) Property Development

Revenue from the Property Development segment, which made up of 84% of the Group's turnover, increased by 114% from \$30.0 million in 3Q2012 to \$64.1 million in 3Q2013. This is largely due to higher revenue recognition from Spottiswoode 18, Jupiter 18 and Space@Kovan in the current quarter, as well as the absence of revenue recognition from Treescape and The MKZ in the prior-year quarter.

(b) Hotel Ownership and Property Investment

Revenue from the Hotel Ownership segment, which contributed 16% to the Group's turnover, decreased 7% from \$13.1 million in 3Q2012 to \$12.2 million in 3Q2013. The hotel's average occupancy rate ("AOR") was 90.8% in 3Q2013, as compared to 94.5% in 3Q2012. Average room rate ("ARR") also decreased by 4% to \$191.8 in 3Q2013 from \$200.2 in 3Q2012. Overall, the Group's revenue per available room ("RevPar") decreased by 8% from \$189.2 in 3Q2012 to \$174.2 in the current quarter.

Revenue from the Group's Property Investment segment, which constituted 1% of the Group's turnover, was lower by 7% at \$0.39 million in 3Q2013 as compared to \$0.42 million in 3Q2012 mainly due to the expiry of lease terms for some shop units in Roxy Square.

(ii) Cost of sales and gross profit

In line with the increase in revenue, direct cost of total revenue increased by \$24.9 million or 95% from \$26.3 million in 3Q2012 to \$51.2 million in 3Q2013.

Gross profit from the Property Development segment contributed \$17.2 million or 67% of the total gross profit of the Group, with the balance 33% or \$8.3 million contributed by the Hotel Ownership and Property Investment segments. The gross profit margin for the Property Development segment was 27% in 3Q2013 and 3Q2012. The gross profit margin of the Hotel Ownership segment decreased by 3 percentage points from 69% in 3Q2012 to 66% in the current quarter mainly due to lower room revenue. Gross profit margin from the Property Investment segment decreased from 68% in 3Q2012 to 62% in the current quarter due to lower shops occupancy.

Overall, the Group's gross profit margin decreased by 7 percentage points from 40% in 3Q2012 to 33% in the current quarter mainly as a result of higher percentage revenue contribution from Property Development segment which has a lower gross profit margin than the other two segments.



(iii) Profit for the period

The Group's other operating income increased from \$0.36 million in 3Q2012 to \$0.46 million in 3Q2013 largely due to the higher interest income from fixed deposits.

Administrative expenses increased from \$2.7 million in 3Q2012 to \$3.4 million in 3Q2013 mainly due to higher provision for directors' performance bonus, which in line with the higher profitability for the current quarter.

Finance costs increased from \$1.3 million in 3Q2012 to \$1.7 million in 3Q2013 mainly due to the loan interests incurred in respect of additional working capital loans drawn.

The Group's share of profits of associates increased from \$0.7 million to \$2.7 million mainly due to the profits recognition from joint-venture projects namely Natura@Hillview, Eon Shenton, Haig 162 and Nottinghill Suites in 3Q2013, as compared to the profits recognition from only Haig 162 in 3Q2012. The Temporary Occupation Permits ("TOP") for Haig 162 was obtained in June 2013.

The Group's pre-tax profits increased by 85% from \$10.7 million in 3Q2012 to \$19.8 million in 3Q2013. mainly due to higher profits contribution from Property Development segment as mentioned above.

Profit after taxation increased by 97% from \$8.2 million in 3Q2012 to \$16.1 million in 3Q2013.



9M2013 vs 9M2012

(i) Revenue

For the nine month ended 30 September 2013, the Group registered a 48% increase in revenue to \$199.4 million from \$134.4 million in 9M2012. The increase was the result of 73% increase in revenue from the Property Development segment, partly offset by a 10% and a 1% decrease in revenue from the Hotel Ownership segment and Property Investment segment respectively.

(a) Property Development

Revenue from the Property Development segment, which made up of 82% of the Group's turnover, increased 73% from \$94.5 million in 9M2012 to \$163.5 million in 9M2013. This increase was largely due to the higher revenue recognition from Treescape, Spottiswoode 18, Jupiter 18 and Space@Kovan in the current period, and the absence of revenue recognition from The MKZ in the previous corresponding period.

(b) Hotel Ownership and Property Investment

Revenue from the Hotel Ownership segment, which constituted 17% of Group's turnover, decreased by 10% to \$34.6 million in 9M2013 from \$38.6 million in 9M2012 mainly due to the partial closure of hotel rooms for renovation. The room renovation was completed in June 2013. The hotel's average occupancy rate was 84.6% in 9M2013, lower as compared to 92.7% in 9M2012. Along with an average room rate ("ARR") of \$194.5, the Group's revenue per available room ("RevPar") decreased by 11% to \$164.5 in 9M2013 from \$185.8 in 9M2012.

The remaining revenue contribution was attributable to the Property Investment segment. Due to the expiry of lease terms for some shop units in Roxy Square, the Property Investment segment revenue decrease marginally by 1%.

(ii) Cost of sales and gross profit

In line with the increase in revenue, direct cost of total revenue in 9M2013 increased by \$52.2 million or 65% from \$79.9 million in 9M2012 to \$132.1 million in 9M2013.

Gross profit from the Property Development segment contributed \$43.4 million or 65% of the total gross profit of the Group, with the balance 35% or \$23.8 million contributed from the Hotel Ownership and Property Investment segments. The gross profit margin for the Property Development segment decreased marginally from 28% in the 9M2012 to 27% in 9M2013. The gross profit margin of the Hotel Ownership segment decreased from 69% in 9M2012 to 67% in 9M2013 mainly due to lower room revenue whilst gross profit margin of the Property Investment segment declined by 6 percentage points from 72% in 9M2012 to 66% in 9M2013.

As a result, the Group's overall gross profit margin decreased by 7 percentage points from 41% in 9M2012 to 34% in 9M2013 mainly due to higher percentage revenue contribution from Property Development segment which has a lower gross profit margin than the other two segments.



(iii) Profit for the period

The Group's other operating income increased from \$5.9 million in 9M2012 to \$7.3 million in 9M2013 largely due to a higher fair value gain of \$5.3 million on its investment properties as compared to \$4.4 million in 9M2012.

Distribution and selling expenses decreased from \$1.8 million in 9M2012 to \$1.5 million in 9M2013 mainly due to the decrease in marketing expenses, which is in line with the decrease in hotel's turnover.

Administrative expenses increased from \$8.2 million in 9M2012 to \$10.2 million in 9M2013 mainly due to higher bonus provision, which is in line with higher profitability for the current quarter.

Finance costs increased from \$3.3 million in 9M2012 to \$4.4 million in 9M2013 mainly due to the loan interests incurred in respect of working capital loans drawn since 3Q2012.

The Group's share of profits of associates increase from \$1.4 million in 9M2012 to \$6.8 million in 9M2013 mainly due to profits recognition from joint-venture projects namely Natura@Hillview, Eon Shenton and Millage and Nottinghill Suites in 9M2013, as compared to the profits recognition from mainly only Haig 162 and Eon Shenton in 9M2012. The Temporary Occupation Permits ("TOP") for Haig 162 was obtained in June 2013.

The Group's pre-tax profits improved by 42% from \$39.5 million in 9M2012 to \$56.0 million in 9M2013 mainly due to higher profits contribution from Property Development segment as mentioned above.

Profit after taxation increased by 36% to \$47.4 million for the current nine months ended 30 September 2013.

(iv) Cashflow, working capital and Balance Sheet

The Group's non-current assets comprise property, plant and equipment, investment properties, investment in subsidiaries, investments in associates, available-for-sale financial assets and goodwill. As at 30 September 2013, this amounted to \$166.4 million and represented 15% of the total assets.

Property, plant and equipment accounted for \$82.5 million or 50% of total non-current assets as at 30 September 2013. The increase from \$76.1 million as at 31 December 2012 to \$82.5 million as at 30 September 2013 was mainly due to the upgrading works to the hotel rooms, as well as the conversion of 1 shop unit at Roxy Square to office use. Available for sale financial assets increased from \$1.7 million as at 31 December 2012 to \$2.2 million as at 30 September 2013 due to the purchase of quoted securities in 3Q2013. Investment in associates increased from \$6.8 million as at 31 December 2012 to \$14.1 million as at 30 September 2013 due to the increase in share of profits of associates in 9M2013.

The Group's current assets comprise mainly properties for sale under development, inventories, trade and other receivables and cash and cash equivalents. As at 30 September 2013, this amounted to \$977.2 million and represented 85% of the total assets. Properties for sale under development accounted for \$551.9 million or 56% of total current assets as at 30 September 2013. The increase in properties for sale under development from \$455.8 million as at 31 December 2012 to \$551.9 million as at 30 September 2013 was mainly due to completion of land purchase at 334 Pasir Panjang Singapore, 13 & 15 Wilkie Terrace and 134B Lorong K Telok Kurau Singapore.



Trade receivables amounted to \$22.6 million as at 30 September 2013 and comprised mainly of progress payments receivable from purchasers for projects under construction and unbilled revenue portion of the recognised sales from the completed projects. The decrease in trade receivables from \$24.1 million as at 31 December 2012 to \$22.6 million as at 30 September 2013 was mainly due to collections from purchasers for Nova 48 and The Verte.

Other receivables comprise mainly deposits, prepayments and other receivables. The increase in other receivables from \$42.5 million as at 31 December 2012 to \$55.3 million as at 30 September 2013 was mainly due to the loan to associate for new land acquisition.

As at 30 September 2013, project accounts, fixed deposits and cash and bank balances, less restricted cash amounted to \$346.8 million.

The Group recorded net cash outflows from operating activities of \$36.3 million in 9M2013, as compared to net cash inflows of \$92.5 million in 9M2012. The net cash outflows in the current period from operating activities was mainly due to the increase in the properties for sale under development of \$96.1 million in 9M2013 as a result of completion of land purchases as mentioned above.

As at 30 September 2013, the Group recorded net cash outflows from investing activities of \$19.9 million, mainly due to the loan to associate during the period for land acquisition.

As at 30 September 2013, the net cash inflows from financing activities of \$149.7 million was mainly due to the proceeds from the drawdown of land and working capital loans during the period.

The Group's current liabilities comprise trade payables, other payables, provision for taxation and bank borrowings. As at 30 September 2013, this amounted to \$725.2 million and represented 84% of the total liabilities. Other payables comprise mainly accruals for construction costs for completed projects, accruals of unbilled progress claims from contractors, hotel management fees, directors' performance incentive, staff bonuses and shareholders' loan. The increase in other payables from \$25.1 million as at 31 December 2012 to \$28.1 million was mainly due to higher unbilled progress claims from contractors and advances from joint-venture partners for land acquisition.

At Company level, the increase in amount due to subsidiaries was mainly due to the funding extended to the subsidiaries.

As at 30 September 2013, the Group's total borrowings amounted to \$787.7 million, with \$298.8 million repayable within one year and \$488.9 million repayable after one year. The increase in the total borrowings from \$611.4 million as at 31 December 2012 to \$787.7 million as at 30 September 2013 was mainly due to the loan drawdown for the completion of land purchase as explained above as well as drawdown of working capital 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 first half ended 30 June 2013.

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

Based on advance estimates by Ministry of Trade and Industry Singapore (“MIT”) on 14 October 2013, the Singapore economy grew by 5.1 per cent on a year-on-year basis in the 3rd quarter of 2013, compared to 4.2% in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 1%, compared to the 16.9% expansion in the previous quarter.

Based on the latest statistics released by Urban Redevelopment Authority (URA) on 25th October 2013, prices of private residential properties increased by 0.4% in 3rd Quarter 2013, which is lower than the 1.0% increase recorded in 2nd Quarter 2013.

As at 29 October 2013, the Group has a balance amount of attributable progress billings of approximately \$1.1 billion from the following projects, the profits of which will be recognised from 4Q2013 to FY2017.

	Project name	Type of development	Group stake	Total units in project	Unit sold	Attributable total sale value ⁽¹⁾	Attributable revenue recognised up to 30 Sep 2013	Balance attributable progress billings to be recognised from 4Q2013
			%	Unit	%	\$'m	\$'m	\$'m
1	Straits Residences	Residential	100%	30	100%	20.3	20.1	0.2
2	Jupiter 18	Residential	100%	53	100%	35.8	33.2	2.6
3	Space@Kovan	Shop	100%	56	100%	46.6	18.8	27.8
		Residential	100%	140	100%	113.1	45.6	67.5
4	Spottiswoode 18	Residential	100%	251	100%	254.4	157.0	97.4
5	Nottinghill Suites	Residential	45%	124	100%	39.5	11.7	27.8
6	Wis@Changi	Shop	100%	7	100%	4.9	-	4.9
		Restaurant	100%	16	100%	12.9	-	12.9
		office	100%	60	100%	60.5	-	60.5
7	Centropod@Changi	Shop	100%	108	100%	54.4	-	54.4
		Restaurant	100%	9	100%	8.3	-	8.3
		Office	100%	75	100%	78.7	-	78.7
8	Treescape	Residential	100%	30	100%	29.2	14.2	15.0
9	Millage	Residential	48%	70	100%	23.5	0.8	22.7
		Shop	48%	86	100%	28.7	0.9	27.8
10	Natura@Hillview	Residential	49%	193	100%	72.2	18.4	53.8



	Project name	Type of development	Group stake	Total units in project	Unit sold	Attributable total sale value (1)	Attributable revenue recognised up to 30 Sep 2013	Balance attributable progress billings to be recognised from 4Q2013
			%	Unit	%	\$'m	\$'m	\$'m
11	Eon Shenton	Office	20%	98	100%	60.1	5.6	54.5
		Residential	20%	132	95%	38.0	3.4	34.6
		Shop	20%	23	100%	4.8	0.4	4.4
12	The MKZ	Residential	100%	42	100%	51.8	14.1	37.7
13	Jade Residences ⁽²⁾	Residential	100%	171	75%	153.6	-	153.6
		Shop	100%	2	-	-	-	-
14	Whitehaven ⁽³⁾	Residential	100%	120	81%	117.8	-	117.8
		Shop	100%	1	100%	1.2	-	1.2
15	LIV on Sophia ⁽³⁾	Residential	90%	64	100%	78.5	-	78.5
16	LIV on Wilkie ⁽⁴⁾	Residential	90%	81	28%	30.5	-	30.5
	Total			2,042		1,419.3	344.2	1,075.1

(1) Based on Option to Purchase granted up to 29 October 2013.

(2) Launched in April 2013

(3) Launched in May 2013

(4) Launched in October 2013

In addition, the Group has the following land plots with a total attributable gross floor area of approximately 500,103 square foot for development:

No.	Location / Description	Approximate Land Area	Approximate Gross Floor Area	Group's stake	Approximate Attributable Gross Floor Area	Approximate Attributable Land Cost
		(sqf)	(sqf)	%	(sqf)	\$'m
1	134B Lorong K Teluk Kurau Singapore (Currently known as Sunnyvale)	23,160	32,423	100%	32,423	25.0
2	111 Tampines Road Singapore (Currently know as Yi Mei Garden)	78,030	163,862	85%	139,283	115.6
3	Lot 3370, Section 41, Jalan Dewan Sultan Sulaiman, Kuala Lumpur	64,131	698,717	47%	328,397	16.9 ⁽¹⁾
		165,321	895,002		500,103	157.5

(1) equivalent to RM42,198,441.



With balanced progress billings of \$1.1 billion that is more than 16 times the property development revenue recognised in 3Q2013; cash and cash equivalents amounting to S\$346.8 million as of 30 September 2013, the Group continues to be fundamentally strong and capable of seizing opportunities, whether it presents itself in Singapore or overseas markets.

Hotel Ownership

Singapore Tourism Board (“STB”) has forecasted tourism receipts of between \$23.5 to \$24.5 billion and visitor arrivals of between 14.8 million and 15.5 million in 2013. It also continues to focus on attracting high-yield visitors to Singapore next year, through business travel and meetings events.

Along with Singapore’s healthy pipeline of upcoming MICE events, the Group is optimistic that the demand for our hotel rooms should continue to be strong in 2013.

Outlook

Barring any unforeseen circumstances, the directors expect the Group to be profitable in 2013.



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

Not applicable

13. Interested Person Transactions

The Company does not have a shareholders' mandate for interested person transactions. There were no interested person transactions during the period.

ON BEHALF OF THE BOARD

Teo Hong Lim
Chairman & CEO

Koh Seng Geok
Executive Director & CFO

7 November 2013
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 third quarter and nine months ended 30 September 2013 to be false or misleading in any material respect.

ON BEHALF OF THE BOARD

Teo Hong Lim
Chairman & CEO

Koh Seng Geok
Executive Director & CFO

7 November 2013
Singapore