



Roxy-Pacific
Holdings Limited

ROXY-PACIFIC HOLDINGS LIMITED

(Registration Number: 196700135Z)

UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND
DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014



**UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014**

TABLE OF CONTENTS

<u>Item No</u>	<u>Description</u>	<u>Page No</u>
1(a)	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3, 4
1(b)(i)	STATEMENTS OF FINANCIAL POSITION	5
1(b)(ii)	GROUP'S BORROWINGS AND DEBT SECURITIES	6
1(c)	CONSOLIDATED STATEMENT OF CASH FLOWS	7, 8
1(d)(i)	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	9 to 11
1(d)(ii)	SHARE CAPITAL	11
1(d)(iii)	TOTAL NUMBER OF ISSUED SHARES	12
1(d)(iv)	TREASURY SHARES	12
2	AUDIT	12
3	AUDITORS' REPORT	12
4	ACCOUNTING POLICIES	12
5	CHANGES IN ACCOUNTING POLICIES	12
6	EARNINGS PER ORDINARY SHARE (EPS)	13
7	NET ASSET VALUE PER SHARE	13
8	REVIEW OF GROUP PERFORMANCE	14 to 19
9	VARIANCE FROM PREVIOUS PROSPECTS STATEMENT	19
10	PROSPECTS	20 to 22
11, 12	DIVIDEND	22, 23
13	INTEREST PERSON TRANSACTIONS	23



UNAUDITED SECOND QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

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

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

	Second quarter ended 30 June			Half year ended 30 June		
	2014 S\$'000	2013 S\$'000	Change %	2014 S\$'000	2013 S\$'000	Change %
Revenue	102,639	68,891	49%	182,093	122,636	48%
Cost of sales	(72,281)	(45,471)	59%	(126,631)	(80,924)	56%
Gross profit	30,358	23,420	30%	55,462	41,712	33%
Other operating income	4,627	5,905	-22%	4,870	6,843	-29%
Distribution and selling expenses	(561)	(509)	10%	(1,078)	(987)	9%
Administrative expenses	(5,008)	(4,680)	7%	(8,280)	(6,734)	23%
Other operating expenses	(3,483)	(3,212)	8%	(7,160)	(6,072)	18%
Finance costs	(1,660)	(1,433)	16%	(3,288)	(2,676)	23%
Share of results of associates (net of income tax)	3,041	2,279	33%	4,067	4,110	-1%
Profit before taxation	27,314	21,770	25%	44,593	36,196	23%
Taxation	(4,558)	(2,236)	104%	(6,875)	(4,839)	42%
Profit after taxation	22,756	19,534	16%	37,718	31,357	20%
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	67	(54)	-224%	243	-	100%
Net change in fair value of available-for-sale financial assets transferred to profit and loss account	(157)	-	-100%	(157)	(167)	-6%
Tax on other comprehensive income	(11)	9	-222%	(41)	-	-100%
Currency translation differences arising from consolidation	48	-	100%	48	-	100%
Other comprehensive income, net of tax	(53)	(45)	18%	93	(167)	-156%
Total comprehensive income for the period	22,703	19,489	16%	37,811	31,190	21%
Attributable to:						
Equity holders of the Company	22,703	19,487	17%	37,823	31,189	21%
Non-controlling interests	-	2	-100%	(12)	1	n/m
	22,703	19,489	16%	37,811	31,190	21%



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

	Second quarter ended			Half year ended		
	30 June		Change	30 June		Change
	2014	2013		2014	2013	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
after charging:						
Impairment loss on trade receivables	-	-	-	-	27	-100%
Depreciation of property, plant and equipment	863	544	59%	1,873	1,105	70%
Foreign exchange loss (unrealised)	10	-	100%	314	-	100%
Directors' fees	39	39	-	77	78	-1%
Interest on borrowings	1,660	1,433	16%	3,288	2,676	23%
Staff costs (including directors' remuneration)	6,780	6,552	3%	11,993	10,402	15%
and crediting:						
Fair value gain on investment properties	4,267	5,327	-20%	4,267	5,327	-20%
Fair value gain on interest swaps	-	134	-100%	-	147	-100%
Gain on disposal of available-for-sale financial assets	143	-	100%	143	596	-76%
Impairment loss on loan to an associate written back	-	-	-	-	46	-100%
Impairment loss on trade receivables written back	2	-	100%	-	27	-100%
Income from hotel money exchange operations	6	5	20%	11	11	-
Interest income	144	160	-10%	292	284	3%

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-Jun-14 S\$'000	31-Dec-13 S\$'000	30-Jun-14 S\$'000	31-Dec-13 S\$'000
ASSETS				
Non-Current				
Property, plant and equipment	80,212	81,942	70	85
Available for sale financial assets	1,552	2,207	-	-
Investments in subsidiaries	-	-	47,343	47,343
Investments in associates	20,793	16,726	-	-
Investment properties	72,254	67,987	-	-
	174,811	168,862	47,413	47,428
Current				
Properties for sale under development ⁽¹⁾	711,524	687,083	-	-
Inventories	136	121	-	-
Trade receivables	19,149	39,893	10	13
Other receivables	69,705	48,366	2,222	4,125
Amount due from subsidiaries	-	-	144,613	104,640
Project accounts	148,476	191,105	-	-
Fixed deposits	41,769	73,925	13,641	46,313
Cash and bank balances	99,251	89,589	56,584	38,536
	1,090,010	1,130,082	217,070	193,627
Total assets	1,264,821	1,298,944	264,483	241,055
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	47,399	47,399	47,399	47,399
Fair value reserve	156	111	-	-
Translation reserve	48	-	-	-
Retained earnings	304,362	282,112	38,373	53,887
Equity attributable to owners of the Company	351,965	329,622	85,772	101,286
Non-controlling interests	335	347	-	-
	352,300	329,969	85,772	101,286
Liabilities				
Non-Current				
Bank borrowings (secured)	111,639	113,733	-	-
Deferred tax liabilities	26,316	19,396	-	-
	137,955	133,129	-	-
Current				
Trade payables	11,346	20,202	2	97
Other payables	35,198	35,135	464	563
Amount due to subsidiaries	-	-	174,211	135,091
Provision for taxation	8,704	13,368	34	18
Bank borrowings (secured)	719,318	767,141	4,000	4,000
	774,566	835,846	178,711	139,769
Total liabilities	912,521	968,975	178,711	139,769
Total equity and liabilities	1,264,821	1,298,944	264,483	241,055

⁽¹⁾ \$483.5 million (31-Dec-13: \$437.5 million) relates to the Group's pre-sold development properties as at 30 June 2014.



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

	<u>30-Jun-14</u>		<u>31-Dec-13</u>	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Current				
- Amount repayable in one year or less, or on demand	355,188	(i) -	281,727	-
- Amount repayable after one year but within the normal operating cycle of Property Development segment	364,130	-	485,414	-
	719,318	-	767,141	-
Non-current				
Amount repayable after one year	111,639	-	113,733	-
	830,957	-	880,874	-

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) \$274.4 million relates to our sold development projects properties and is expected to be fully repaid by 30 June 2015 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

	Second quarter ended 30 Jun		Half year ended 30 Jun	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Cash Flows from Operating Activities				
Profit before taxation	27,314	21,770	44,593	36,196
Adjustments for:				
Depreciation of property, plant and equipment	863	544	1,873	1,105
Fair value gain on interest rate swaps	-	(134)	-	(147)
Share of associates' results	(3,041)	(2,279)	(4,067)	(4,110)
Interest income	(144)	(160)	(292)	(284)
Interest expense on bank borrowings	1,659	1,433	3,287	2,676
Fair value gain on investment properties	(4,267)	(5,327)	(4,267)	(5,327)
Reversal of impairment loss on advances to associate	-	-	-	(46)
Gain on disposal of available-for-sale financial asset	(143)	-	(143)	(596)
Foreign exchange loss (unrealised)	8	-	312	-
Operating profit before working capital changes	22,249	15,847	41,296	29,467
Changes in inventories	(14)	(5)	(14)	7
Changes in operating receivables	(9,364)	(11,215)	9,599	4,302
Changes in operating payables	(3,285)	(1,229)	(9,843)	(1,076)
Changes in properties for sale under development	(10,794)	15,155	(19,633)	(100,740)
Cash (used in)/generated from operations	(1,208)	18,553	21,405	(68,040)
Income tax paid	(4,173)	(4,002)	(4,619)	(3,986)
Net cash (used in)/generated from operating activities	(5,381)	14,551	16,786	(72,026)
Cash Flows from Investing Activities				
Investment in associates	-	(189)	-	(189)
Investment in quoted equity shares	-	-	-	1,430
Proceeds from disposal of available-for-sale financial assets	884	-	884	-
Repayment from associates	12,453	2,628	21,799	2,628
Loan to associate	-	27	(32,452)	-
Acquisition of property, plant and equipment	(142)	(3,240)	(142)	(6,160)
Interest received	435	160	583	284
Net cash generated from/(used in) investing activities	13,630	(614)	(9,328)	(2,007)
Cash Flows from Financing Activities				
Proceeds from borrowings	18,600	94,309	25,791	187,649
Repayment of borrowings	(35,911)	(28,209)	(75,711)	(28,333)
Fixed deposit released/(pledged) to banks and financial institutions	387	-	387	383
Interest paid	(3,904)	(3,496)	(7,181)	(6,912)
Dividend paid	(15,480)	(8,823)	(15,480)	(8,823)
Net cash (used in)/generated from financing activities	(36,308)	53,781	(72,194)	143,964



	Second quarter ended		Half year ended	
	30 Jun	30 Jun	30 Jun	30 Jun
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Net (decrease) / increase in cash and cash equivalents	(28,059)	67,718	(64,736)	69,931
Cash and cash equivalents at beginning of period	317,527	255,430	354,204	253,217
Cash and cash equivalents at end of period	289,468	323,148	289,468	323,148
<u>Analysis of cash and cash equivalents:-</u>				
Project accounts (Note 1)	53,976	77,877	53,976	77,877
Fixed deposits in project accounts (Note 1)	94,500	63,000	94,500	63,000
Fixed deposits	41,769	95,992	41,769	95,992
Cash and bank balances	99,251	86,695	99,251	86,695
Less: Fixed deposits pledged to banks and financial institution	(28)	(416)	(28)	(416)
	289,468	323,148	289,468	323,148

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	Fair value reserve S\$'000	Translation reserve S\$'000	Retained profits S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
Balance at 1 January 2013	47,399	144	-	206,038	253,581	199	253,780
Total comprehensive income for the period							
Profit for the period	-	-	-	11,824	11,824	(1)	11,823
Total comprehensive income for the period	-	-	-	11,824	11,824	(1)	11,823
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	-	54	-	-	54	-	54
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	(167)	-	-	(167)	-	(167)
Tax on other comprehensive income	-	(9)	-	-	(9)	-	(9)
Total other comprehensive income for the period	-	(122)	-	-	(122)	-	(122)
Total comprehensive income for the period	-	(122)	-	11,824	11,702	(1)	11,701
Balance at 31 Mar 2013	47,399	22	-	217,862	265,283	198	265,481
Total comprehensive income for the period							
Profit for the period	-	-	-	19,534	19,534	1	19,535
Total comprehensive income for the period	-	-	-	19,534	19,534	1	19,535
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	-	-	-	-	-	-	-
Tax on other comprehensive income	-	5	-	-	5	-	5
Total other comprehensive income for the period	-	(22)	-	-	(22)	-	(22)
Total comprehensive income for the period	-	(22)	-	19,534	19,512	1	19,513
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividend paid	-	-	-	(8,825)	(8,825)	-	(8,825)
Total transactions with owners	-	-	-	(8,825)	(8,825)	-	(8,825)
Balance at 30 June 2013	47,399	-	-	228,571	275,970	199	276,169



Group	Share capital	Fair value reserve	Translation 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	S\$'000
Balance at 1 January 2014	47,399	111	-	282,112	329,622	347	329,969
Total comprehensive income for the period							
Profit for the period	-	-	-	14,974	14,974	(12)	14,962
Total comprehensive income for the period	-	-	-	14,974	14,974	(12)	14,962
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	-	176	-	-	176	-	176
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	-	-	-	-
Tax on other comprehensive income	-	(30)	-	-	(30)	-	(30)
Total other comprehensive income for the period	-	146	-	-	146	-	146
Total comprehensive income for the period	-	146	-	14,974	15,120	(12)	15,108
Balance at 31 March 2014	47,399	257	-	297,086	344,742	335	345,077
Total comprehensive income for the period							
Profit for the period	-	-	-	22,756	22,756	-	22,756
Total comprehensive income for the period	-	-	-	22,756	22,756	-	22,756
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	-	67	-	-	67	-	67
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	(157)	-	-	(157)	-	(157)
Tax on other comprehensive income	-	(11)	-	-	(11)	-	(11)
Foreign currency translation differences	-	-	48	-	48	-	48
Total other comprehensive income for the period	-	(101)	48	-	(53)	-	(53)
Total comprehensive income for the period	-	(101)	48	22,756	22,703	-	22,703
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividend paid	-	-	-	(15,480)	(15,480)	-	(15,480)
Total transactions with owners	-	-	-	(15,480)	(15,480)	-	(15,480)
Balance at 30 June 2014	47,399	156	48	304,362	351,965	335	352,300



Company	Share capital S\$'000	Retained profits S\$'000	Equity attributable to owners of the Company S\$'000	Total S\$'000
Balance at 1 January 2013	47,399	54,519	101,918	101,918
Total comprehensive income for the period				
Profit for the period	-	131	131	131
Total comprehensive income for the period	-	131	131	131
Balance at 31 March 2013	47,399	54,650	102,049	102,049
Total comprehensive income for the period				
Profit for the period	-	904	904	904
Total comprehensive income for the period	-	904	904	904
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Dividend paid	-	(8,825)	(8,825)	(8,825)
Total transactions with owners	-	(8,825)	(8,825)	(8,825)
Balance at 30 June 2013	47,399	46,729	94,128	94,128
Balance at 1 January 2014	47,399	53,887	101,286	101,286
Total comprehensive income for the period				
Profit for the period	-	142	142	142
Total comprehensive income for the period	-	142	142	142
Balance at 31 March 2014	47,399	54,029	101,428	101,428
Total comprehensive income for the period				
Profit for the period	-	(176)	(176)	(176)
Total comprehensive income for the period	-	(176)	(176)	(176)
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Dividend paid	-	(15,480)	(15,480)	(15,480)
Total transactions with owners	-	(15,480)	(15,480)	(15,480)
Balance at 30 June 2014	47,399	38,373	85,772	85,772

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

There were no changes in the Company's share capital during the half year ended 30 June 2014.



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-Jun-14</u>	<u>31-Dec-13</u>
Total number of ordinary shares issued and fully paid	<u>1,193,549,994</u>	1,193,549,994

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 2013.

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	Second quarter ended 30-Jun		Half year ended 30-Jun	
	2014	2013 *(restated)	2014	2013 *(restated)
(a) Based on the weighted average number of ordinary shares in issue (cents)	1.90	1.63	3.16	2.61
(b) On fully diluted basis (cents)	1.90	1.63	3.16	2.61
Profit attributable to shareholders of the Company (\$'000)	22,703	19,487	37,823	31,189
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 during the financial year ended 31 December 2013.

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

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

	Group		Company	
	30-Jun-14	31-Dec-13	30-Jun-14	31-Dec-13
Net asset value (“NAV”) per ordinary shares based on total post-bonus issue of 1,193,549,994 ordinary shares (cents)	29.49	27.62	7.19	8.49

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 June 2014, our directors estimated that the fair value of these properties to be \$523.4 million (31 December 2013: \$522.5 million). The fair value of the Grand Mercure Roxy Hotel was based on the valuation carried out by an independent valuer on 31 December 2013, using the direct comparison method and capitalisation approach. For the fair value of office premises, it was based on the desktop valuation as at 30 June 2014 carried out by an independent valuer, based on existing tenancies. The revaluation surplus is estimated to be approximately \$443.3 million (31 December 2013: \$441.5 million). Had this revaluation surplus been recorded, the Group’s adjusted net asset value (“ANAV”) per share would have been as follows:

	Group	
	30-Jun-14	31-Dec-13
ANAV per ordinary share based on total post-bonus issue of 1,193,549,994 ordinary (cents)	66.63	64.60



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	Second quarter ended 30-Jun				Change Increase/ (Decrease)	Half year ended 30-Jun				Change Increase/ (Decrease)
	2014 S\$'000		2013 S\$'000			2014 S\$'000		2013 S\$'000		
REVENUE										
Property Development	90,749	88%	57,032	83%	59%	157,806	87%	99,438	81%	59%
Hotel Ownership	11,455	11%	11,434	16%	-	23,440	13%	22,352	18%	5%
Property Investment	435	1%	425	1%	2%	847	-	846	1%	-
	102,639	100%	68,891	100%	49%	182,093	100%	122,636	100%	48%
GROSS PROFIT										
Property Development	22,489	74%	15,351	66%	46%	39,260	71%	26,189	63%	50%
Hotel Ownership	7,588	25%	7,781	33%	-2%	15,640	28%	14,953	36%	5%
Property Investment	281	1%	288	1%	-2%	562	1%	570	1%	-1%
	30,358	100%	23,420	100%	30%	55,462	100%	41,712	100%	33%
GROSS PROFIT MARGIN (%)										
Property Development	25%		27%		-2ppt	25%		26%		-1ppt
Hotel Ownership	66%		68%		-2ppt	67%		67%		-
Property Investment	65%		68%		-3ppt	66%		67%		-1ppt
Total	30%		34%		-4ppt	30%		34%		-4ppt
ADJUSTED EBITDA										
Property Development	24,820	74%	17,664	64%	41%	41,708	75%	30,149	68%	38%
Hotel Ownership	4,201	13%	4,313	16%	-3%	9,119	16%	8,242	19%	11%
Property Investment – Rental income	85	-	290	1%	-71%	349	1%	519	1%	-33%
Property Investment – Fair value gain	4,267	13%	5,327	19%	-20%	4,267	8%	5,327	12%	-20%
	33,373	100%	27,594	100%	21%	55,443	100%	44,237	100%	25%
PROFIT BEFORE TAXATION										
Adjusted EBITDA	33,373		27,594		21%	55,443		44,237		25%
Corporate expenses	(3,824)		(4,007)		-5%	(6,124)		(5,140)		19%
Depreciation of property, plant and equipment	(863)		(544)		59%	(1,873)		(1,105)		70%
Finance costs, net	(1,515)		(1,273)		19%	(2,996)		(2,392)		25%
Gain on disposal of available-for-sale financial asset	143		-		100%	143		596		-76%
	27,314		21,770		25%	44,593		36,196		23%



2Q2014 vs 2Q2013

(i) Revenue

The Group achieved revenue of \$102.6 million in 2Q2014, 49% higher as compared to \$68.9 million in 2Q2013. The increase was the result of 59% and 2% increase in revenue from the Property Development and the Property Investment segments respectively.

(a) Property Development

Revenue from the Property Development segment, which made up of 88% of the Group's turnover, increased by 59% from \$57.0 million in 2Q2013 to \$90.7 million in 2Q2014 largely due to the recognition of higher revenue from Spottiswoode 18, Space@Kovan, The MKZ and Treescape as well as the commencement of recognition of revenue from Jade Residences, Whitehaven and LIV on Sophia.

(b) Hotel Ownership and Property Investment

Revenue from the Hotel Ownership segment contributed 11% to the Group's turnover in 2Q2014. The hotel's average occupancy rate ("AOR") was 89.0% in 2Q2014, as compared to 83.8% in 2Q2013. Average room rate ("ARR") was \$183.4 in 2Q2014, compared to \$196.2 in 2Q2013. Overall, the Group's revenue per available room ("RevPar") decreased marginally by 1% from \$164.4 in 2Q2013 to \$163.2 in the current quarter.

Revenue from the Group's Property Investment segment, which constituted the balance 1% of the Group's turnover, was higher by 2% at \$0.44 million in 2Q2014 as compared to \$0.43 million in 2Q2013.

(ii) Cost of sales and gross profit

In line with the increase in revenue, direct cost of total revenue increased by \$26.8 million or 59% from \$45.5 million in 2Q2013 to \$72.3 million in 2Q2014.

Gross profit from the Property Development segment contributed \$22.5 million or 74% of the total gross profit of the Group, with the balance 26% or \$7.9 million contributed by the Hotel Ownership and Property Investment segments. The gross profit margin for the Property Development segment decreased marginally by 2 percentage points from 27% in 2Q2013 to 25% in 2Q2014. The gross profit margin of the Hotel Ownership segment decreased by 2 percentage points from 68% in 2Q2013 to 66% in the current quarter due to higher payroll and other direct operating expenses. The gross profit margin of the Property Investment segment decreased by 3 percentage points from 68% to 65% due to higher direct operating cost in the current quarter.

As a result the Group's overall gross profit margin decreased by 4 percentage points from 34% in 2Q2013 compared to 30% in the current quarter.



(iii) Profit for the period

The Group's other operating income decreased from \$5.9 million in 2Q2013 to \$4.6 million in 2Q2014 largely due to lower fair value gain on investment properties of \$4.3 million in 2Q2014 compared to \$5.3 million in 2Q2013.

Distribution and selling expenses increased from \$0.5 million in 2Q2013 to \$0.6 million in 2Q2014 mainly due to increase in hotel's marketing expenses.

Administrative expenses increased from \$4.7 million in 2Q2013 to \$5.0 million in 2Q2014 mainly due to higher bonus provision, which is in line with higher profitability for the current quarter.

Other operating expenses increased from \$3.2 million in 2Q2013 to \$3.5 million in 2Q2014 mainly due to the increase in depreciation expense as a result of the completion of hotel upgrading work in previous quarter.

Finance costs increased from \$1.4 million in 2Q2013 to \$1.7 million in 2Q2014 mainly due to the loan interests incurred from the drawdown of term loan and working capital loan, together with higher interest rate in the current quarter compared to previous corresponding quarter.

The Group's share of profits of associates increased from \$2.3 million to \$3.0 million mainly due to the profits recognition from joint-venture projects namely Nottinghill Suites, Millage and Natura@Hillview.

The Group's pre-tax profits increased by 25% mainly due to higher profits from Property Development segment.

Profit after taxation increased by 16% from \$19.5 million in 2Q2013 to \$22.8 million in 2Q2014.

1H2014 vs 1H2013

(i) Revenue

For the first half ended 30 June 2014, the Group registered a 48% increase in revenue to \$182.1 million from \$122.6 million in 1H2013. The increase was the result of 59% and 5% increase in revenue from the Property Development and Hotel Ownership segments respectively.

(a) Property Development

Revenue from the Property Development segment, which made up of 87% of the Group's turnover, increased 59% from \$99.4 million in 1H2013 to \$157.8 million in 1H2014. This increase was largely due to the revenue recognition from development projects namely Spottiswoode 18, Space@Kovan, The MKZ and Treescape as well as commencement of recognition of revenue from Jade Residences, Whitehaven and LIV on Sophia.



(b) Hotel Ownership and Property Investment

Revenue from the Hotel Ownership segment, which constituted 13% of Group's turnover, increased by 5% to \$23.4 million in 1H2014 from \$22.4 million in 1H2013. Average occupancy rate ("AOR") increased to 89.6% in 1H2014, as compared to 81.5% in 1H2013. Average room rate ("ARR"), on the other than hand, decreased by 5% to \$187.0 in 1H2014 from \$196.1 in 1H2013. Overall, the Group's revenue per available room ("RevPar") increased by 5% from \$159.8 in 1H2013 to \$167.5 in 1H2014.

The remaining revenue contribution amounting to \$0.8 million was attributable to the Property Investment segment.

(ii) Cost of sales and gross profit

In line with the increase in revenue, direct cost of total revenue in 1H2014 increased by \$45.7 million or 56% from \$80.9 million in 1H2013 to \$126.6 million in 1H2014.

Gross profit from the Property Development segment contributed \$39.3 million or 71% of the total gross profit of the Group, with the balance 29% or \$16.2 million contributed from the Hotel Ownership and Property Investment segments. The gross profit margin for the Property Development segment decreased marginally from 26% in the 1H2013 to 25% in 1H2014. The gross profit margin of the Hotel Ownership segment was 67% for both period whilst gross profit margin of the Property Investment segment decreased marginally by 1 percentage point from 67% in 1H2013 to 66% in 1H2014.

As a result of higher percentage of revenue contribution in 1H2014 from property development segment which has a lower gross profit margin compared to the other two segments, the Group's overall gross profit margin decreased by 4 percentage points from 34% in 1H2013 to 30% in 1H2014.

(iii) Profit for the period

The Group's other operating income decreased from \$6.8 million in 1H2013 to \$4.9 million in 1H2014 largely due to lower fair value gain of \$4.3 million on its investment properties as compared to \$5.3 million in 1H2013.

Distribution and selling expenses increased from \$1.0 million in 1H2013 to \$1.1 million in 1H2014 mainly due to the increase in Hotel's marketing expenses.

Administrative expenses increased from \$6.7 million in 1H2013 to \$8.3 million in 1H2014 mainly due to higher bonus provision, which is in line with higher profitability in 1H2014.

Other operating expenses increased from \$6.1 million in 1H2013 to \$7.2 million in 1H2014 mainly due to the increase in depreciation expense as a result of the completion of hotel upgrading work in 2H2013.

Finance costs increased from \$2.7 million in 1H2013 to \$3.3 million in 1H2014 mainly due to the loan interests incurred from the higher level of bank borrowings for working capital, together with higher interest rate in 1H2014 compared to 1H2013.



The Group's share of profits of associates was \$4.1 million for both period in 1H2013 and 1H2014.

The Group's pre-tax profits improved by 23% from \$36.2 million in 1H2013 to \$44.6 million in 1H2014 mainly due to higher profits from Property Development segment.

Profit after taxation increased by 20% to \$37.7 million in the current half year.

(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 and available-for-sale financial assets. As at 30 June 2014, this amounted to \$174.8 million and represented 14% of the total assets.

Property, plant and equipment accounted for \$80.2 million or 46% of total non-current assets as at 30 June 2014. The decrease from \$81.9 million as at 31 December 2013 to \$80.2 million as at 30 June 2014 was mainly due to depreciation in 1H2014.

Available for sale financial assets decreased from \$2.2 million as at 31 December 2013 to \$1.6 million as at 30 June 2014 due to the disposal of quoted securities in 1H2014.

Investment in associates increased from \$16.7 million as at 31 December 2013 to \$20.8 million as at 30 June 2014 due to the increase in share of profits of associates in 1H2014.

Investment properties increased from \$68.0 million as at 31 December 2013 to \$72.3 million as at 30 June 2014 due to fair value gain in 1H2014.

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 June 2014, this amounted \$1.1 billion and represented 86% of the total assets. Properties for sale under development accounted for \$711.5 million or 65% of total current assets as at 30 June 2014. The increase in properties for sale under development from \$687.1 million as at 31 December 2013 to \$711.5 million as at 30 June 2014 was mainly due to construction progress claims during the period.

Trade receivables amounted to \$19.1 million as at 30 June 2014 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 \$39.9 million as at 31 December 2013 to \$19.1 million as at 30 June 2014 was mainly due to collections from purchasers from Spottiswoode 18.

Other receivables comprise mainly deposits, prepayments and other receivables. The increase in other receivables from \$48.4 million as at 31 December 2013 to \$69.7 million as at 30 June 2014 was mainly due to the shareholder's loan to associate for the acquisition of investment property in Hong Kong as well as deposit paid for investment property at 59 Goulburn Street in Sydney.

At Company level, other receivable decrease from \$4.1 million to \$2.2 million mainly due to collection of management fees from subsidiaries during 1H2014. The increase in amount due from subsidiaries from \$104.6 million as at 31 December 2013 to \$144.6 million as at 30 June 2014 was mainly due to advances to subsidiaries in relation to investment in Hong Kong.

As at 30 June 2014, project accounts, fixed deposits and cash and bank balances, less restricted cash amounted to \$289.5 million.



The Group recorded net cash inflows from operating activities of \$16.8 million in 1H2014, as compared to net cash outflows of \$72.0 million in 1H2013. The increase in net cash inflows from operating activities was mainly due to higher profits and comparatively lower increase in the properties for sale under development in 1H2014 compared to 1H2013.

As at 30 June 2014, the Group recorded net cash outflows from investing activities of \$9.3 million, mainly due to the loans to associates partially offset by repayment from associates.

As at 30 June 2014, the net cash outflows from financing activities of \$72.2 million was mainly due to the repayment 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 June 2014, this amounted \$774.6 million and represented 85% of the total liabilities. Trade payables comprise mainly of billed progress claims from contractors and retention sums. The decrease in trade payables from \$20.2 million as at 31 December 2013 to \$11.3 million as at 30 June 2014 was mainly due to payment of progress claims to contractors. Other payables comprise mainly accruals for construction costs for completed projects, accruals of unbilled progress claims from contractors, hotel management fees, directors' performance incentive and staff bonuses.

At Company level, amount due to subsidiaries increase from \$135.1 million to \$174.2 million mainly due to the funding extended to the holding company.

As at 30 June 2014, the Group's total borrowings amounted to \$831.0 million, with \$355.2 million repayable within one year and \$475.8 million repayable after one year. The decrease in the total borrowings from \$880.9 million as at 31 December 2013 to \$831.0 million as at 30 June 2014 was mainly due to repayment of development 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 quarter ended 31 March 2014.



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 July 2014, the Singapore economy grew by 2.1 per cent on a year-on-year basis in the 2nd quarter of 2014, slower than the 4.7 per cent growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 0.8 per cent, a reversal from the 1.6 per cent growth in the preceding quarter.

Based on the latest flash estimate released by Urban Redevelopment Authority (URA) on 25th July 2014, prices of private residential properties decreased by 1.0% in 2nd Quarter 2014, following the 1.3% decline in the previous quarter. This was the third straight quarter of price decline.

As at 22nd July 2014, the Group has a balance amount of attributable progress billings of approximately \$955.4 million from the following projects/properties, the profits of which will be recognised from 3Q2014 to FY2017.

	Project name	Type of development	Group stake	Total units in project	Units/floors sold	Attributable total sale value ⁽¹⁾	Attributable revenue recognised up to 30 Jun 2014	Balance attributable progress billings to be recognised from 3Q2014
			%	Unit	%	\$'m	\$'m	\$'m
(A)	Development properties							
1	Space@Kovan	Shop	100%	56	100%	46.6	39.0	7.6
		Residential	100%	140	100%	113.1	95.0	18.1
2	Spottiswoode 18	Residential	100%	251	100%	254.4	248.0	6.4
3	Nottinghill Suites	Residential	45%	124	100%	39.5	33.8	5.7
4	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
5	Treescape	Residential	100%	30	100%	29.2	28.0	1.2
6	Millage	Residential	48%	70	100%	23.5	6.3	17.2
		Shop	48%	86	100%	28.7	7.7	21.0
7	Natura@Hillview	Residential	49%	193	100%	72.2	35.6	36.6
8	Eon Shenton	Office	20%	98	100%	60.1	3.7	56.4
		Residential	20%	132	95%	38.0	2.3	35.7
		Shop	20%	23	100%	4.8	0.3	4.5
9	The MKZ	Residential	100%	42	100%	51.8	45.8	6.0
10	Jade Residences	Residential	100%	171	85%	175.6	13.4	162.2
		Shop	100%	2	100%	1.7	0.1	1.6

	Project name	Type of development	Group stake	Total units in project / Total no of floors	Units/ floors sold	Attributable total sale value ⁽¹⁾	Attributable revenue recognised up to 30 Jun 2014	Balance attributable progress billings to be recognised from 3Q2014
			%	Unit	%	\$'m	\$'m	\$'m
(A)	<u>Development Properties</u>							
11	Whitehaven	Residential	100%	120	85%	125.2	13.4	111.8
		Shop	100%	1	100%	1.2	0.1	1.1
12	LIV on Sophia	Residential	90%	64	100%	78.5	0.8	77.7
13	LIV on Wilkie	Residential	90%	81	68%	71.7	-	71.7
14	Sunnyvale Residences ⁽²⁾	Residential	100%	30	7%	3.5	-	3.5
15	Trilive ⁽³⁾	Residential	85%	220	9%	19.2	-	19.2
		Shop	85%	2	-%	-	-	-
	Sub-total			2,128		1,379.9	573.3	806.6
(B)	<u>Investment Property</u>							
16	No.8 Russell Street, Causeway Bay, Hong Kong	Investment Property for sale	30%	21 floors	92%	148.8	-	148.8 ⁽⁴⁾
	Sub-total			21 floors		148.8	-	148.8
	Grand-total					1,528.7	573.3	955.4

(1) Based on Option to Purchase granted up to 22nd July 2014

(2) Launched in May 2014

(3) Launched in June 2014

(4) Equivalent to HKD 916.3 million

In addition, the Group has the following landbank:

No.	Location / Description	Type	Approximate Land Area	Approximate Gross Floor Area	Group's stake	Approximate Attributable Gross Floor Area	Approximate Attributable Land Cost
1	<u>Overseas</u> Lot 3370, Section 41, Jalan Dewan Sultan Sulaiman, Kuala Lumpur	Commercial & Residential Development	64,131	698,717	47%	328,397	16.9 ⁽¹⁾
			64,131	698,717		328,397	16.9

(1) equivalent to RM42.2 million

With balance pre-sale revenue of \$955.4 million, the Group has strong earnings visibility to FY2017.



Hotel Ownership

Singapore Tourism Board (“STB”) continues its strategic direction towards quality tourism. Recent rankings showed that Singapore retained its spot as the World’s Top International Meeting Country and City. To date, Singapore has secured six world congresses, which will attract international delegates to Singapore over the next few years. STB has forecast tourism receipts to be in the range of \$23.8 billion to \$24.6 billion in 2014.

The Group believe that the demand for our hotel rooms should continue to be strong in the 2nd half of 2014.

Outlook

Barring any unforeseen circumstances, the directors expect the Group to be profitable in 2014.

11. Dividend

(a) Current Financial Period Reported On

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

<u>Name of Dividend</u>	<u>Interim</u>
Dividend Type	Cash (Ordinary)
Dividend Rate	0.616 cents per ordinary share
Total Dividend Amount	\$7,352,268
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

<u>Name of Dividend</u>	<u>Interim</u>
Dividend Type	Cash (Ordinary)
Dividend Rate	0.616 cents per ordinary share, adjusted for bonus issue
Total Dividend Amount	\$7,352,268
Tax Rate	Tax exempt (one-tier tax)

(c) Date payable

28 August 2014

(d) Books closure date

18 August 2014



**Roxy-Pacific
Holdings Limited**

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

31 July 2014
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 second quarter and six months ended 30 June 2014 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

31 July 2014
Singapore