



**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 2014



**UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

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

	Third quarter ended 30 September			Nine months ended 30 September		
	2014 S\$'000	2013 S\$'000	Change %	2014 S\$'000	2013 S\$'000	Change %
Revenue	67,155	76,718	-12%	249,248	199,354	25%
Cost of sales	(49,439)	(51,189)	-3%	(176,070)	(132,113)	33%
Gross profit	17,716	25,529	-31%	73,178	67,241	9%
Other operating income	288	460	-37%	5,158	7,303	-29%
Distribution and selling expenses	(515)	(553)	-7%	(1,593)	(1,540)	3%
Administrative expenses	(2,845)	(3,425)	-17%	(11,125)	(10,159)	10%
Other operating expenses	(5,807)	(3,215)	81%	(12,967)	(9,287)	40%
Finance costs	(2,585)	(1,709)	51%	(5,873)	(4,385)	34%
Share of results of associates (net of income tax)	8,067	2,728	196%	12,134	6,838	77%
Profit before taxation	14,319	19,815	-28%	58,912	56,011	5%
Taxation	(1,878)	(3,730)	-50%	(8,753)	(8,569)	2%
Profit after taxation	12,441	16,085	-23%	50,159	47,442	6%
Attributable to:						
Equity holders of the Company	12,374	16,084	-23%	50,104	47,440	6%
Non-controlling interests	67	1	n/m	55	2	n/m
Profit after taxation	12,441	16,085	-23%	50,159	47,442	6%
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	52	86	-40%	295	86	243%
Net change in fair value of available-for- sale financial assets transferred to profit and loss account	-	-	-	(157)	(167)	-6%
Tax on other comprehensive income	(9)	(15)	-40%	(50)	(15)	233%
Currency translation differences arising from consolidation	(2,193)	-	-100%	(2,145)	-	-100%
Other comprehensive income, net of tax	(2,150)	71	n/m	(2,057)	(96)	n/m
Total comprehensive income for the period	10,291	16,156	-36%	48,102	47,346	2%
Attributable to:						
Equity holders of the Company	10,224	16,155	-37%	48,047	47,344	1%
Non-controlling interests	67	1	n/m	55	2	n/m
	10,291	16,156	-36%	48,102	47,346	2%



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

	Third quarter ended			Nine months ended		
	30 September		Change %	30 September		Change %
	2014 S\$'000	2013 S\$'000		2014 S\$'000	2013 S\$'000	
after charging:						
Currency translation differences arising from consolidation	2,193	-	100%	2,145	-	100%
Depreciation of property, plant and equipment	864	548	58%	2,737	1,653	66%
Foreign exchange loss (unrealised)	-	31	100%	-	31	-100%
Directors' fees	38	39	-3%	115	117	-2%
Impairment loss on trade receivables	-	-	-	-	27	-100%
Interest on borrowings	2,520	1,709	47%	5,807	4,334	34%
Staff costs (including directors' remuneration)	4,018	5,293	-24%	16,011	15,695	2%
Net fair value loss on cross currency Interest rate swap	2,374	-	100%	2,374	-	100%
and crediting:						
Fair value gain on investment properties	-	-	-	4,267	5,327	-20%
Fair value gain on interest rate swaps	-	76	-100%	-	223	-100%
Gain on disposal of available-for-sale financial assets	-	-	-	143	596	-76%
Impairment loss on loan to an associate written back	-	-	-	-	46	-100%
Impairment loss on trade receivables written back	8	-	100%	10	-	100%
Income from hotel's money exchange operations	5	5	-	16	16	-
Interest income	204	224	-9%	496	508	-2%
Foreign exchange gain (unrealised)	482	-	100%	170	-	100%

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-14 S\$'000	31-Dec-13 S\$'000	30-Sep-14 S\$'000	31-Dec-13 S\$'000
ASSETS				
Non-Current				
Property, plant and equipment	79,242	81,942	68	85
Available-for-sale financial assets	1,605	2,207	-	-
Investments in subsidiaries	-	-	47,343	47,343
Investments in associates	28,859	16,726	-	-
Investment properties	178,440	67,987	-	-
	288,146	168,862	47,411	47,428
Current				
Properties for sale under development ⁽¹⁾	644,390	687,083	-	-
Inventories	122	121	-	-
Trade receivables	18,528	39,893	21	13
Other receivables	62,419	48,366	3,246	4,125
Amount due from subsidiaries	-	-	169,496	104,640
Project accounts	182,476	191,105	-	-
Fixed deposits	49,797	73,925	20,669	46,313
Cash and bank balances	82,333	89,589	44,466	38,536
	1,040,065	1,130,082	237,898	193,627
Total assets	1,328,211	1,298,944	285,309	241,055
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	47,399	47,399	47,399	47,399
Fair value reserve	199	111	-	-
Translation reserve	(2,145)	-	-	-
Retained earnings	309,384	282,112	30,175	53,887
Equity attributable to owners of the Company	354,837	329,622	77,574	101,286
Non-controlling interests	402	347	-	-
	355,239	329,969	77,574	101,286
Liabilities				
Non-Current				
Bank borrowings (secured)	175,781	113,733	-	-
Deferred tax liabilities	27,469	19,396	-	-
	203,250	133,129	-	-
Current				
Trade payables	13,830	20,202	38	97
Other payables	35,232	35,135	531	563
Amount due to subsidiaries	-	-	203,166	135,091
Provision for taxation	5,207	13,368	-	18
Bank borrowings (secured)	715,453	767,141	4,000	4,000
	769,722	835,846	207,735	139,769
Total liabilities	972,972	968,975	207,735	139,769
Total equity and liabilities	1,328,211	1,298,944	285,309	241,055

⁽¹⁾ \$430.9 million (31-Dec-13: \$437.5 million) relates to the Group's pre-sold development properties as at 30 September 2014.



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

	<u>30-Sep-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	351,323	(i) -	281,727	-
- Amount repayable after one year but within the normal operating cycle of Property Development segment	364,130	-	485,414	-
	715,453	-	767,141	-
Non-current				
Amount repayable after one year	175,781	-	113,733	-
	891,234	-	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) \$249.3 million relates to our sold development projects properties and is expected to be fully repaid by 30 September 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

	Third quarter ended 30 September		Nine months ended 30 September	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Cash Flows from Operating Activities				
Profit before taxation	14,319	19,815	58,912	56,011
Adjustments for:				
Depreciation of property, plant and equipment	864	548	2,737	1,653
Net fair value loss/(gain) on financial derivatives	2,374	(76)	2,374	(223)
Share of associates' results	(8,067)	(2,728)	(12,134)	(6,838)
Interest income	(204)	(224)	(496)	(508)
Interest expense on bank borrowings	2,520	1,709	5,807	4,334
Fair value gain on investment properties	-	-	(4,267)	(5,327)
Reversal of impairment loss on advances to associate	-	-	-	(46)
Gain on disposal of available-for-sale financial asset	-	-	(143)	(596)
Foreign exchange (gain)/loss (unrealised)	(482)	31	(170)	31
Operating profit before working capital changes	11,324	19,075	52,620	48,491
Changes in inventories	14	15	-	22
Changes in operating receivables	6,254	(966)	15,863	1,263
Changes in operating payables	1,105	11,082	(8,738)	10,057
Changes in properties for sale under development	69,450	9,012	49,817	(89,655)
Cash generated from/(used in) operations	88,147	38,218	109,562	(29,822)
Income tax paid	(4,222)	(2,454)	(8,841)	(6,440)
Net cash generated from/(used in) operating activities	83,925	35,764	100,721	(36,262)
Cash Flows from Investing Activities				
Investment in associates	(1)	-	(1)	(189)
Investment in quoted equity shares	-	(1,342)	-	(2,419)
Proceeds from disposal of available-for-sale financial assets	-	-	884	2,507
Repayment from associates	-	4,476	21,790	7,329
Loan to associate	-	(19,918)	(32,452)	(20,143)
Acquisition of property, plant and equipment	106	(1,305)	(36)	(7,465)
Acquisition of investment properties	(106,186)	-	(106,186)	-
Interest received	220	224	803	508
Net cash used in investing activities	(105,861)	(17,865)	(115,198)	(19,872)
Cash Flows from Financing Activities				
Proceeds from borrowings	101,945	36,114	127,736	223,763
Repayment of borrowings	(41,718)	(19,138)	(117,429)	(47,471)
Fixed deposit released from banks and financial institutions	-	-	387	383
Interest paid	(5,829)	(3,881)	(13,010)	(10,793)
Dividend paid	(7,352)	(7,352)	(22,833)	(16,175)
Net cash generated from/(used in) financing activities	47,046	5,743	(25,149)	149,707



	Third quarter ended 30 September		Nine months ended 30 September	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Net increase/(decrease) in cash and cash equivalents	25,110	23,642	(39,626)	93,573
Cash and cash equivalents at beginning of period	289,468	323,148	354,204	253,217
Cash and cash equivalents at end of period	314,578	346,790	314,578	346,790
<u>Analysis of cash and cash equivalents:-</u>				
Project accounts (Note 1)	88,976	89,201	88,976	89,201
Fixed deposits in project accounts (Note 1)	93,500	97,500	93,500	97,500
Fixed deposits	49,797	89,987	49,797	89,987
Cash and bank balances	82,333	70,518	82,333	70,518
Less: Fixed deposits pledged to banks and financial Institutions	(28)	(416)	(28)	(416)
	314,578	346,790	314,578	346,790

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	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 2013	47,399	144	-	206,038	253,581	199	253,780
Total comprehensive income for the period							
Profit for the period	-	-	-	31,358	31,358	-	31,358
Total comprehensive income 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)	-	-	(144)	-	(144)
Total comprehensive income for the period	-	(144)	-	31,358	31,214	-	31,214
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	-	(144)	-	22,533	22,389	-	22,389
Balance at 30 June 2013	47,399	-	-	228,571	275,970	199	276,169
Total comprehensive income for the period							
Profit for the period	-	-	-	16,085	16,085	1	16,086
Total comprehensive income 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
Tax on other comprehensive income	-	(15)	-	-	(15)	-	(15)
Total other comprehensive income for the period	-	71	-	-	71	-	71
Total comprehensive income for the period	-	71	-	16,085	16,156	1	16,157
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividend paid	-	-	-	(7,354)	(7,354)	-	(7,354)
Total transactions with owners	-	-	-	(7,354)	(7,354)	-	(7,354)
Balance at 30 September 2013	47,399	71	-	237,302	284,772	200	284,972



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	-	-	-	37,730	37,730	(12)	37,718
Total comprehensive income for the period	-	-	-	37,730	37,730	(12)	37,718
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	-	243	-	-	243	-	243
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	(157)	-	-	(157)	-	(157)
Tax on other comprehensive income	-	(41)	-	-	(41)	-	(41)
Foreign currency translation differences	-	-	48	-	48	-	48
Total other comprehensive income for the period	-	45	48	-	93	-	93
Total comprehensive income for the period	-	45	48	37,730	37,823	(12)	37,811
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
Total comprehensive income for the period							
Profit for the period	-	-	-	12,374	12,374	67	12,441
Total comprehensive income for the period	-	-	-	12,374	12,374	67	12,441
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	-	52	-	-	52	-	52
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	-	-	-	-
Tax on other comprehensive income	-	(9)	-	-	(9)	-	(9)
Foreign currency translation differences	-	-	(2,193)	-	(2,193)	-	(2,193)
Total other comprehensive income for the period	-	43	(2,193)	-	(2,150)	-	(2,150)
Total comprehensive income for the period	-	43	(2,193)	12,374	10,224	67	10,291
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividend paid	-	-	-	(7,352)	(7,352)	-	(7,352)
Total transactions with owners	-	-	-	(7,352)	(7,352)	-	(7,352)
Balance at 30 September 2014	47,399	199	(2,145)	309,384	354,837	402	355,239



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	-	1,035	1,035	1,035
Total comprehensive income for the period	-	1,035	1,035	1,035
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
Total comprehensive income for the period				
Profit for the period	-	(396)	(396)	(396)
Total comprehensive income for the period	-	(396)	(396)	(396)
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Dividend paid	-	(7,354)	(7,354)	(7,354)
Total transactions with owners	-	(7,354)	(7,354)	(7,354)
Balance at 30 September 2013	47,399	38,979	86,378	86,378
Balance at 1 January 2014	47,399	53,887	101,286	101,286
Total comprehensive income for the period				
Profit for the period	-	(34)	(34)	(34)
Total comprehensive income for the period	-	(34)	(34)	(34)
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
Total comprehensive income for the period				
Profit for the period	-	(845)	(845)	(845)
Total comprehensive income for the period	-	(845)	(845)	(845)
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Dividend paid	-	(7,353)	(7,353)	(7,353)
Total transactions with owners	-	(7,353)	(7,353)	(7,353)
Balance at 30 September 2014	47,399	30,175	77,574	77,574



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 nine months ended 30 September 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-Sep-14</u>	<u>31-Dec-13</u>
Total number of ordinary shares issued and fully paid	<u>1,193,549,994</u>	<u>1,193,549,994</u>

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial information for the current financial period compared with those for the audited financial statements as at 31 December 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	Third quarter ended 30-Sep		Nine months ended 30-Sep	
	2014	2013	2014	2013
(a) Based on the weighted average number of ordinary shares in issue (cents)	1.04	1.35	4.20	3.97
(b) On fully diluted basis (cents)	1.04	1.35	4.20	3.97
Profit after tax attributable to shareholders of the Company (\$’000)	12,374	16,084	50,104	47,440
Weighted average number of shares (’000)	1,193,550	1,193,550	1,193,550	1,193,550

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-14	31-Dec-13	30-Sep-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)	29.73	27.62	6.50	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 premises over their carrying amounts. As at 30 September 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 of these properties is estimated to be approximately \$444.9 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-Sep-14	31-Dec-13
ANAV per ordinary share based on total post-bonus issue of 1,193,549,994 ordinary (cents)	67.00	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	Third quarter ended 30-Sep				Change Increase/ (Decrease)	Nine months ended 30-Sep				Change Increase/ (Decrease)
	2014 S\$'000		2013 S\$'000			2014 S\$'000		2013 S\$'000		
REVENUE										
Property Development	51,976	77%	64,092	84%	-19%	209,782	84%	163,530	82%	28%
Hotel Ownership	12,515	19%	12,235	16%	2%	35,955	15%	34,587	17%	4%
Property Investment	2,664	4%	391	-	581%	3,511	1%	1,237	1%	184%
	67,155	100%	76,718	100%	-12%	249,248	100%	199,354	100%	25%
GROSS PROFIT										
Property Development	7,468	42%	17,204	67%	-57%	46,728	64%	43,393	65%	8%
Hotel Ownership	8,257	47%	8,084	32%	2%	23,897	33%	23,037	34%	4%
Property Investment	1,991	11%	241	1%	726%	2,553	3%	811	1%	215%
	17,716	100%	25,529	100%	-31%	73,178	100%	67,241	100%	9%
GROSS PROFIT MARGIN (%)										
Property Development	14%		27%		-13ppt	22%		27%		-5ppt
Hotel Ownership	66%		66%		n/m	66%		67%		-1ppt
Property Investment	75%		62%		13ppt	73%		66%		7ppt
Total	26%		33%		-7ppt	29%		34%		-5ppt
ADJUSTED EBITDA										
Property Development	17,805	83%	19,621	80%	-9%	59,513	77%	49,770	72%	20%
Hotel Ownership	1,581	7%	4,702	20%	-66%	10,700	14%	12,944	19%	-17%
Property Investment – Rental income	2,171	10%	57	n/m	3709%	2,520	3%	576	1%	338%
Property Investment – Fair value gain	-	n/m	-	n/m	n/m	4,267	6%	5,327	8%	-20%
	21,557	100%	24,380	100%	-12%	77,000	100%	68,617	100%	12%
PROFIT BEFORE TAXATION										
Adjusted EBITDA	21,557		24,380		-12%	77,000		68,617		12%
Corporate expenses	(1,619)		(2,532)		-36%	(7,743)		(7,672)		1%
Depreciation of property, plant and equipment	(864)		(548)		58%	(2,737)		(1,653)		66%
Finance costs, net	(2,381)		(1,485)		60%	(5,377)		(3,877)		39%
Net fair value loss on cross currency Interest rate swap	(2,374)		-		100%	(2,374)		-		100%
Gain on disposal of available-for-sale financial asset	-		-		-	143		596		-76%
	14,319		19,815		-28%	58,912		56,011		5%



3Q2014 vs 3Q2013

(i) Revenue

The Group achieved revenue of \$67.2 million in 3Q2014, 12% lower as compared to \$76.7 million in 3Q2013. The decrease was the result of 19% decrease in revenue from the Property Development segment, partly offset by 581% and 2% increase in revenue respectively from the Property Investment and Hotel Ownership segments.

(a) Property Development

Revenue from the Property Development segment, which made up of 77% of the Group's turnover, decreased by 19% from \$64.1 million in 3Q2013 to \$52.0 million in 3Q2014 mainly due to lower revenue recognition from Spottiswoode 18. The Temporary Occupation Permits ("TOP") for Treescape was obtained in August 2014.

(b) Hotel Ownership and Property Investment

Revenue from the Hotel Ownership segment contributed 19% to the Group's turnover in 3Q2014. The hotel's average occupancy rate ("AOR") was 94.4% in 3Q2014, as compared to 90.8% in 3Q2013. Average room rate ("ARR") was \$184.5 in 3Q2014, compared to \$191.8 in 3Q2013. Overall, the Group's revenue per available room ("RevPar") remained at \$174.2 in the current quarter and 3Q2013.

Revenue from the Group's Property Investment segment, which constituted the balance 4% of the Group's turnover, surged 581% to \$2.7 million in 3Q2014 as compared to \$0.4 million in 3Q2013 due to rental income from the lease of units at 59 Goulburn Street, which was acquired in July 2014.

(ii) Cost of sales and gross profit

In line with the decrease in revenue, direct cost of total revenue decreased by \$1.8 million or 3% from \$51.2 million in 3Q2013 to \$49.4 million in 3Q2014.

Gross profit from the Property Development segment contributed \$7.5 million or 42% of the total gross profit of the Group, with the balance 58% or \$10.2 million contributed by the Hotel Ownership and Property Investment segments. The gross profit margin for the Property Development segment decreased by 13 percentage points from 27% in 3Q2013 to 14% in 3Q2014 mainly due to overall lower profit margins from development projects. The gross profit margin of the Hotel Ownership segment was the same for both quarters. The gross profit margin of the Property Investment segment improved by 13 percentage points from 62% in 3Q2013 to 75% in 3Q2014 due to higher margin from the lease of units at 59 Goulburn Street.

As a result of lower gross profit margin from Property Development segment, the Group's overall gross profit margin decreased by 7 percentage points from 33% in 3Q2013 compared to 26% in the current quarter.

(iii) Profit for the period

The Group's other operating income decreased from \$0.5 million in 3Q2013 to \$0.3 million in 3Q2014 mainly due to absence of recognition of fair value gain from interest rate swap which matured in Year 2013.



Distribution and selling expenses decreased from \$0.6 million in 3Q2013 to \$0.5 million in 3Q2014 mainly due to lower hotel's marketing expenses.

Administrative expenses decreased from \$3.4 million in 3Q2013 to \$2.8 million in 3Q2014 mainly due to lower provision of bonus for the current quarter.

Other operating expenses increased from \$3.2 million in 3Q2013 to \$5.8 million in 3Q2014 mainly due to fair value loss on cross currency interest rate swap.

Depreciation expense increased from \$0.5 million in 3Q2013 to \$0.9 million in 3Q2014 as a result of the completion of hotel upgrading work in 1Q2014.

Finance costs increased from \$1.7 million in 3Q2013 to \$2.6 million in 3Q2014 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 \$2.7 million to \$8.1 million mainly due to the profits recognition from the completion of sale of certain strata retail units in 8 Russell Street, Hong Kong in 3Q2014.

The Group's pre-tax profits decreased by 28% to \$14.3 million mainly due to lower revenue from Property Development segment.

Profit after taxation decreased by 23% from \$16.1 million in 3Q2013 to \$12.4 million in 3Q2014.

9M2014 vs 9M2013

(i) Revenue

For the nine month ended 30 September 2014, the Group registered a 25% increase in revenue to \$249.2 million from \$199.4 million in 9M2013 largely due to better performance from all three business segments.

(a) Property Development

Revenue from the Property Development segment, which made up of 84% of the Group's turnover, rose 28% from \$163.5 million in 9M2013 to \$209.8 million in 9M2014. This increase was largely due to the revenue recognition from development projects namely Space@Kovan, Spottiswoode 18, Jade Residences, The MKZ and Whitehaven.

(b) Hotel Ownership and Property Investment

Revenue from the Hotel Ownership segment, which constituted 15% of Group's turnover, increased by 4% to \$36.0 million in 9M2014 from \$34.6 million in 9M2013. Average occupancy rate ("AOR") increased to 91.2% in 9M2014, as compared to 84.6% in 9M2013. Average room rate ("ARR"), on the other than hand, decreased by 4% to \$186.1 in 9M2014 from \$194.5 in 9M2013. Overall, the Group's revenue per available room ("RevPar") increased by 3% from \$164.5 in 9M2013 to \$169.7 in 9M2014.

Revenue from the Group's Property Investment segment, which constituted the balance 1% of the Group's turnover, surged 184% to hit \$3.5 million in 9M2014 as compared to \$1.2 million in 9M2013 mainly due to rental income from the lease of units at 59 Goulburn Street, which was acquired in July 2014.



(ii) Cost of sales and gross profit

In line with the increase in revenue, direct cost of total revenue in 9M2014 increased by \$44.0 million or 33% from \$132.1 million in 9M2013 to \$176.1 million in 9M2014.

Gross profit from the Property Development segment contributed \$46.7 million or 64% of the total gross profit of the Group, with the balance 36% or \$26.5 million contributed from the Hotel Ownership and Property Investment segments. The gross profit margin for the Property Development segment decreased from 27% in the 9M2013 to 22% in 9M2014 mainly due to overall lower profit margin from development projects. The gross profit margin of the Hotel Ownership segment was lower by one percentage point whilst gross profit margin of the Property Investment segment increased by 7 percentage point from 66% in 9M2013 to 73% in 9M2014 due to higher margin from the lease of units at 59 Goulburn Street.

As a result of lower gross profit margin from Property Development segment, the Group's overall gross profit margin decreased by 5 percentage points from 34% in 9M2013 to 29% in 9M2014.

(iii) Profit for the period

The Group's other operating income decreased from \$7.3 million in 9M2013 to \$5.2 million in 9M2014 largely due to lower fair value gain of \$4.3 million on its investment properties as compared to \$5.3 million in 9M2013.

Administrative expenses increased from \$10.2 million in 9M2013 to \$11.1 million in 9M2014 mainly due to the expenses incurred in relation to overseas properties in Japan, Thailand and Australia.

Other operating expenses increased from \$9.3 million in 9M2013 to \$13.0 million in 9M2014 mainly due to fair value loss on cross currency interest rate swap.

Depreciation expense increased from \$1.7 million in 9M2013 to \$2.7 million in 9M2014 as a result of the completion of hotel upgrading work in 1Q2014.

Finance costs increased from \$4.4 million in 9M2013 to \$5.9 million in 9M2014 mainly due to the loan interests incurred from the higher level of bank borrowings for working capital, together with higher interest rate in 9M2014 compared to 9M2013.

The Group's share of profits of associates rose 77% to \$12.1 million in 9M2014 from \$6.8 million in 9M2013 mainly due to profit recognition from joint-venture projects such as Millage, Nottinghill Suites and the completion of sale of certain strata retail units in 8 Russell Street, Hong Kong in 3Q2014.

The Group's pre-tax profits increased by 5% from \$56.0 million in 9M2013 to \$58.9 million in 9M2014.

Profit after taxation increased by 6% to \$50.2 million in 9M2014.



(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 September 2014, this amounted to \$288.1 million and represented 22% of the total assets.

Property, plant and equipment accounted for \$79.2 million or 27% of total non-current assets as at 30 September 2014. The decrease from \$81.9 million as at 31 December 2013 to \$79.2 million as at 30 September 2014 was mainly due to depreciation in 9M2014.

Available-for-sale financial assets decreased from \$2.2 million as at 31 December 2013 to \$1.6 million as at 30 September 2014 due to the disposal of quoted securities in 2Q2014.

Investment in associates increased from \$16.7 million as at 31 December 2013 to \$28.9 million as at 30 September 2014 due to the increase in share of profits of associates in 9M2014.

Investment properties increased from \$68.0 million as at 31 December 2013 to \$178.4 million as at 30 September 2014 due to completion of the purchase of commercial building at 59 Goulburn Street in Sydney, Australia in July 2014.

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 2014, this amounted \$1.04 billion and represented 78% of the total assets. Properties for sale under development accounted for \$644.4 million or 62% of total current assets as at 30 September 2014. The decrease in properties for sale under development from \$687.1 million as at 31 December 2013 to \$644.4 million as at 30 September 2014 was mainly due to increase in progress claims billed to purchasers during the period.

Trade receivables amounted to \$18.5 million as at 30 September 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 \$18.5 million as at 30 September 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 \$62.4 million as at 30 September 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 hotel property in Kyoto.

At Company level, other receivables decrease from \$4.1 million as at 31 December 2013 to \$3.2 million as at 30 September 2014 mainly due to collection of management fees from subsidiaries during 9M2014. The increase in amount due from subsidiaries from \$104.6 million as at 31 December 2013 to \$169.5 million as at 30 September 2014 was mainly due to advances to subsidiaries in relation to investment in Hong Kong and acquisition of investment property in Australia.

At the Group level, as at 30 September 2014, project accounts, fixed deposits and cash and bank balances, less restricted cash amounted to \$314.6 million.

The Group recorded net cash inflows from operating activities of \$100.7 million in 9M2014, as compared to net cash outflows of \$36.3 million in 9M2013. The increase in net cash inflows from operating activities was mainly due to decrease in the properties for sale under development in 9M2014 as compared to an increase in 9M2013.



As at 30 September 2014, the Group recorded net cash outflows from investing activities of \$115.2 million, mainly due to acquisition of investment property at 59 Goulburn Street in Sydney, Australia.

As at 30 September 2014, the net cash outflows from financing activities of \$25.1 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 September 2014, this amounted \$769.7 million and represented 79% 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 \$13.8 million as at 30 September 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 \$203.2 million as at 30 September 2014 mainly due to the funding extended to the holding company.

As at 30 September 2014, the Group's total borrowings amounted to \$891.2 million, with \$351.3 million repayable within one year and \$539.9 million repayable after one year. The increase in the total borrowings from \$880.9 million as at 31 December 2013 to \$891.2 million as at 30 September 2014 was mainly due to the increased in borrowings to finance the acquisition of the commercial building at 59 Goulburn Street in July 2014, partially offset by the repayment of loans.

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 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 ("MTI") on 14 October 2014, the Singapore economy grew by 2.4 per cent on a year-on-year basis in the third quarter of 2014, the same pace of growth as in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 1.2 per cent, a reversal from the 0.1 per cent contraction in the preceding quarter.

Based on the latest statistics released by Urban Redevelopment Authority (URA) on 24 October 2014, prices of private residential properties decreased by 0.7% in 3rd Quarter 2014, following the 1.0% decline in the previous quarter. This is the fourth continuous quarter of price decrease.



As at 27 October 2014, the Group has a balance amount of attributable progress billings of approximately \$884.9 million from the following projects/properties, the profits of which will be recognised from 4Q2014 to FY2018.

	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 Sep 2014	Balance attributable progress billings to be recognised from 4Q2014
			%	Unit	%	\$'m	\$'m	\$'m
(A)	Development properties							
1	Space@Kovan	Shop	100%	56	100%	46.6	44.0	2.6
		Residential	100%	140	100%	113.1	106.6	6.5
2	Spottiswoode 18	Residential	100%	251	100%	254.4	242.0	12.4
3	Nottingham Suites	Residential	45%	124	100%	39.5	35.9	3.6
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	Millage	Residential	48%	70	100%	23.5	8.3	15.2
		Shop	48%	86	100%	28.7	10.2	18.5
6	Natura@Hillview	Residential	49%	193	100%	72.2	44.7	27.5
7	Eon Shenton	Office	20%	98	100%	60.1	5.7	54.4
		Residential	20%	132	95%	38.0	3.6	34.4
		Shop	20%	23	100%	4.8	0.5	4.3
8	The MKZ	Residential	100%	42	100%	51.8	51.4	0.4
9	Jade Residences	Residential	100%	171	86%	178.7	29.7	149.0
		Shop	100%	2	100%	1.7	0.3	1.4
10	Whitehaven	Residential	100%	120	87%	128.0	26.2	101.8
		Shop	100%	1	100%	1.2	0.1	1.1
11	LIV on Sophia	Residential	90%	64	100%	78.5	4.4	74.1
12	LIV on Wilkie	Residential	90%	81	69%	73.0	1.3	71.7
13	Sunnyvale Residences ⁽²⁾	Residential	100%	30	20%	9.5	-	9.5
14	Trilive ⁽³⁾	Residential	85%	222	11%	23.2	-	23.2
		Shop	85%	2	50%	0.7	-	0.7
	Sub-total			2,100		1,368.6	614.9	753.7
(B)	Investment Property							
15	No.8 Russell Street, Causeway Bay, Hong Kong	Investment Property for sale	30%	21 floors	92%	149.1	17.9 ⁽⁴⁾	131.2 ⁽⁵⁾
	Sub-total			21 floors		149.1	17.9	131.2
	Grand-total					1,517.7	632.8	884.9



**Roxy-Pacific
Holdings Limited**

- (1) Based on Option to Purchase granted up to 27 October 2014
- (2) Launched in May 2014
- (3) Launched in June 2014
- (4) Completion of sale for two floors and part of a floor at 8 Russell Street
- (5) Equivalent to HKD 809.5 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

The Group will continue to be on the lookout for good acquisition and investment opportunities in both Singapore and overseas for better geographical spread. With balance pre-sale revenue of \$884.9 million, the Group has strong earnings visibility to FY2018.

Hotel Ownership

For the hospitality sector, notwithstanding a 6% drop in visitor arrivals to 3.6 million from April to June 2014, STB expects growth in the tourism numbers to continue on the back of major projects such as the recent opening of the Sports Hub, compelling events like Formula One, Women's Tennis Association Finals, TravelRave and more.

The Group has made good progress with recent acquisitions of two properties in Kyoto, Japan and Phuket, Thailand. These acquisitions are expected to increase the income streams for the Group in future.

For the current financial year, the Group believes that the demand for our hotel rooms should continue to be strong for the remainder of 2014.

Outlook

Barring any unforeseen circumstances, the directors expect the Group to be profitable in 4Q2014.



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

4 November 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 third quarter and nine months ended 30 September 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

4 November 2014
Singapore