Roxy-Pacific
Holdings Limited

NEWS RELEASE

ROXY-PACIFIC ACHIEVES 14% RISE IN 1H2011 EARNINGS TO S$24.9 MILLION

- ***16% decline in revenue to S$97.1 million due to lower contribution from Property Development segment***
- ***11% increase in revenue from Hotel Ownership segment on the back of strong occupancies and higher room rate***
- ***30% or S$9.6 million increase in the property value (1) of Roxy Square shop units***
- ***Strong progress billings of S$531.1 million to be recognised from 3Q2011 to FY2014***
- ***Maintains healthy cash and cash equivalents of S$195.3 million***

Financial Highlights:

S$'million	1H2011	1H2010	% Change	2Q2011	2Q2010	% Change
Revenue	97.1	116.3	(16)%	46.7	55.4	(16)%
Gross Profit	31.4	35.7	(12)%	15.3	18.8	(18)%
Profit before Tax	28.5	26.5	8%	17.2	15.7	9%
Profit After Tax	24.9	21.9	14%	14.9	12.9	15%
Earnings per share (cents)	3.91	3.44	14%	2.33	2.02	15%
	Jun 11	Dec 10	% Change			
Net Asset Value per share (cents)	29.09	26.68	9%			
RNAV per share (cents) (2)	69.92	66.95	4%			
Net Debt to RNAV (times) (2)	0.45	0.51	12%			

(1) Based on the valuation carried out by an independent valuer on June 30, 2011, on an open market value and existing use basis.

(2) The fair value of Grand Mercure Roxy Hotel was estimated to be S$316.6 million as at June 30, 2011 and December 31, 2010.

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Singapore, August 3, 2011 – Roxy-Pacific Holdings Limited ("Roxy-Pacific" or the "Group"), a homegrown specialty property and hospitality group, today announced a 14% increase in net profit to S$24.9 million for the first half ended June 30, 2011 ("1H2011") from S$21.9 million in the previous corresponding period ("1H2010"), despite a 16% decline in revenue. The lower revenue was due primarily to a fall in contribution from its Property Development segment, partly offset by a stronger revenue contribution from its Hotel Ownership and Property Investment segments.

Said Mr Teo Hong Lim, Executive Chairman and CEO of Roxy-Pacific: "We are heartened and pleased to have achieved good bottomline growth for our first half performance notwithstanding a challenging property development environment and global economic uncertainty.

"To date we have approximately S$531.1 million of progress billings to be progressively recognised from 3Q2011. In addition, we have accumulated seven plots of land for a mix of commercial, retail and residential developments with a total gross floor area of approximately 300,000 square foot.

"Going forward, we will continue to be prudent, leveraging on our healthy cash position and possible JVs with strong partners to grow our portfolio."

Performance Review

The Group achieved revenue of S$46.7 million in 2Q2011, 16% lower as compared to S$55.4 million in 2Q2010. The decline was the result of a 22% decrease in revenue from its Property Development segment, partly offset by 8% increase in revenue from the Hotel Ownership and Property Investment segments in 2Q2011. With the increase in other operating income from S$4.4 million in 2Q2010 to S$10.1 million in 2Q2011 as a result of higher fair value gain on its investment properties, the Group's pre-tax profit improved by 9% from S$15.7 million in 2Q2010 to S$17.2 million in the current quarter.

The 22% decline in revenue from the Property Development segment in 2Q2011, was largely due to the absence of revenue recognised from two development projects, namely, The Ambrosia and The Adara, that were completed in 2010. The Group recognised revenue from eight development projects in 2Q2011, namely, The Azzuro, The Verte, The Florentine, Nova 48, Nova 88, The Lucent, Studios@Tembeling and Jupiter 18. The Group has obtained TOP for one of its projects, The Florentine in May 2011. This segment contributed to 73% of total Group revenue in 2Q2011.

The remaining 27% of the Group's turnover in 2Q2011 was attributable to the Hotel Ownership and Property Investment segments. Revenue from the Hotel Ownership segment increased 9% to S$12.0 million in 2Q2011. The hotel's average occupancy rate ("AOR") decreased marginally from 95% in 2Q2010 to 94.3% in 2Q2011. On the other hand, its average room rate ("ARR"), was up 12% to S$186.0 in 2Q2011 as compared to S$166.2 in 2Q2010. As a result, the Group's revenue per available room ("RevPar") increased 11% from S$157.9 in 2Q2010 to S$175.4 in the current quarter.

Outlook

According to the Ministry of Trade and Industry's announcement on July 14, 2011, the Singapore economy is expected to grow by 0.5% on a year-on-year basis, down from the 9.3% growth in the previous quarter. In addition, based on latest statistics released by Urban Redevelopment Authority on July 22, 2011, the rate of increase in property prices continues to moderate. Prices of private residential properties increased by 2.0% in 2nd Quarter 2011, lower than the 2.2% increase in the previous quarter. This was the 7th consecutive quarter in which the rate of increase in private housing prices had moderated. However, with the strong fundamentals of the Singapore's economy, a strong job market and low interest rate environment, property market looks set to remain stable.

Added Mr Teo: “We will continue to exercise prudence as we explore opportunities amidst the current challenging property environment and global economic uncertainty. The balance progress billings of S$531.1 million will contribute positively to our Group’s performance from 3Q2011.”

The latest tourism statistics released by the Singapore Tourism Board shows that visitors to Singapore rose 15.4% in June 2011, logging 15 straight months of record arrivals.

“As for our hotel business, we believe that the demand for the hotel rooms should continue to be strong in 2011 due to the continual high visitor arrivals to Singapore,” concluded Mr Teo.

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

About Roxy-Pacific Holdings Limited

Established in May 1967, Roxy-Pacific Holdings Limited, a homegrown specialty property and hospitality group, was listed on the SGX Mainboard on March 12, 2008. The Group is principally engaged in the development and sale of residential properties (“Property Development”) and the ownership of Grand Mercure Roxy Hotel and other investment properties (“Hotel Ownership and Property Investment”).

The Group’s development projects typically comprise small to medium size residential developments such as apartments and condominiums targeted at middle to upper middle income segments. Between 2004 and 2010, the Group developed and launched 23 small to medium size developments comprising a total of more than 1,000 residential and commercial units.

Grand Mercure Roxy Hotel, a major asset of the Group, is managed by international hotel operator, Accor Group. Strategically located in the East Coast area, the hotel enjoys high AOR averaging 88.2% and good ARR averaging S$141.7 between 2004 and 2010.

The Group owns 51 retail shops at The Roxy Square Shopping Centre and 37 commercial units at The Kovan Centre.

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