

NEWS RELEASE

ROXY-PACIFIC REPORTS NET PROFIT OF S\$9.0 MILLION IN 1Q2012

- **Gross Profit Margin surges 12 percentage points to 44% in 1Q2012**
- **Achieves 19% increase in hotel's net operating profit on the back of 10% improvement of RevPar in 1Q2012**
- **Achieves strong take-up rates of more than 80% for recently launched projects - Centropod@Changi and Millage**
- **Progress billings of S\$778.9 million¹, profits of which will be progressively recognised from 2Q2012 to FY2016**
- **Stronger balance sheet with cash and cash equivalents rising 4.2% to S\$237.7 million**

Financial Highlights:

S\$'million	1Q2012	1Q2011	% Change
Revenue	38.1	50.4	- 24.4
Gross Profit Margin (%)	44	32	12 ppt
Profit before Tax	11.1	11.2	- 0.9
Profit After Tax	9.0	10.0	- 10.0
Earnings per share (cents)	1.42	1.58	- 10.1
	Mar 2012	Dec 2011	% Change
Net Asset Value per share (cents)	34.40	32.98	4.3
RNAV per share (cents)*	88.54	87.05	1.7
Cash and Cash Equivalents	237.7	228.2	4.2

*The fair value of Grand Mercure Roxy Hotel was estimated to be S\$401.5 million as at 31 March 2012 and 31 December 2011.

¹ Based on Option to Purchase granted up to 2nd May 2012.

Singapore, May 3, 2012 – Roxy-Pacific Holdings Limited (“Roxy-Pacific” or the “Group”), a homegrown specialty property and hospitality group, today reported that it has achieved net profit of S\$9.0 million in the quarter ending March 31, 2012 (“1Q2012”). This is lower as compared to S\$10.0 million in the previous corresponding period (“1Q2011”), due to the absence of tax write-back amounting to S\$1.0 million in 1Q2011. The Group’s gross profit margin improved by 12 percentage points to 44% on the back of an increase in gross profit margin from all three segments - Property Development, Hotel Ownership and Property Investment.

In 1Q2012, the Group recorded a drop in revenue to S\$38.1 million in 1Q2012 from S\$50.4 million in 1Q2011. The decrease in turnover was mainly due to lower revenue contribution from Property Development segment as a result of completion of several projects in 2011 and the gap in revenue recognition until the commencement of construction of newer projects. On the other hand, the Hotel Ownership segment reported a 12% year-on-year increase in revenue as a result of higher hotel room rate and occupancy rate.

Said Mr Teo Hong Lim, Executive Chairman and CEO of Roxy-Pacific: “The Group delivered a steady performance for the first quarter notwithstanding a dynamic and changing property landscape. Our balanced and diversified property portfolio, recently enhanced with the acquisition of the site of Jade Towers, comprises residential, mixed-use developments and commercial projects. This will put us on a firm grounding to navigate forward.

“Having substantially sold development projects that were launched since December 2011, with Centropod@Changi and Millage achieving strong take-up rates of more than 80%, we also look forward to launching The MKZ – a 42-unit residential project located on a freehold site in District 10. We will continue to focus on developing and positioning the right projects to the market.”

Performance Review

Revenue from the Group's Property Development segment, which made up 65% of turnover, declined 35% from S\$37.9 million in 1Q2011 to S\$24.6 million in 1Q2012. The decrease was largely due to the absence of revenue recognised from The Florentine, The Azzuro, Nova 48 and The Lucent that were completed in 2011. However, this was offset by recognition of revenue from The Verte, Nova 88, Studios@Tembeling, Straits Residences, Spottiswoode 18 and Space@Kovan.

The remaining 35% of the Group's turnover in 1Q2012 was attributable to the Group's Hotel Ownership and Property Investment segments. Revenue from the Hotel Ownership segment increased 12% to S\$13.1 million in 1Q2012. The hotel's average occupancy rate ("AOR") grew from 91.6% to 92.8% in 1Q2012 and the average room rate ("ARR") also increased to S\$201.5 in 1Q2012 as compared to S\$185.9 in 1Q2011. Overall, the Group's revenue per available room ("RevPar") increased by 9.8% from S\$170.3 in 1Q2011 to S\$187.0 in the current quarter.

As a result of the redevelopment of Kovan Centre, revenue from the Group's Property Investment segment was lower at S\$412,000 in 1Q2012 as compared to S\$819,000 in 1Q2011, contributing 1% to the Group's turnover.

The Group also recorded a stronger balance sheet with a 4.2% increase in cash and cash equivalents to S\$237.7 million in 1Q2012.

Outlook

According to advance estimates by Ministry of Trade and Industry, the Singapore economy grew by 1.6% on a year-on-year basis in 1Q2012, as compared to 3.6% in 4Q2011, and is forecast to grow between 1.0% to 3.0% in 2012. Latest flash estimates released by the Urban Redevelopment Authority (URA) also showed that overall prices of private residential properties have declined from the quarter before, confirming a trend of stabilising prices over the past 9 consecutive quarters.

Added Mr Teo: "As of 2nd May 2012, the Group has a balance amount of attributable progress billings of approximately S\$778.9 million, the profits of which will be progressively recognised from 2Q2012 to FY2016. This is more than five times the property development revenue of S\$132.6 million recorded in FY2011. Going forward, we will continue to exercise prudence as we explore future suitable opportunities in the residential, commercial and mixed-use development segments."

The latest tourism statistics released by the Singapore Tourism Board on 23 March 2012 show a forecast of S\$23 to S\$24 billion in tourism receipts and 13.5 to 14.5 million visitor arrivals for 2012.

"The strong economy and continual high visitors' arrivals to Singapore have boosted the overall hotel industry. We believe that demand for the hotel rooms should continue to be strong going into 2012," concluded Mr Teo.

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

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 and commercial properties ("Property Development") and the ownership of Grand Mercure Roxy Hotel and other investment properties ("Hotel Ownership and Property Investment").

The Group's residential 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 2011, the Group developed and launched 27 small to medium size developments comprising a total of more than 1,500 residential and commercial units. In 2012, the Group acquired Jade Towers, a property situated along Lew Lian Vale, a popular suburban residential enclave. The site can potentially be redeveloped or reconfigured to a condominium with a gross floor area of 131,702 sq ft.

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 89.0% and good ARR averaging S\$147.5 between 2004 and 2011.

The Group owns 51 retail shops at The Roxy Square Shopping Centre.

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