Roxy-Pacific
Holdings Limited

NEWS RELEASE

ROXY-PACIFIC ACHIEVES 8% INCREASE IN NET PROFIT TO S$17.7 MILLION IN 2Q2012

- ***Revenue rises 13% to S$52.7 million***
- ***18% surge in revenue from Property Development segment***
- ***Gross profit margin grows 6.0 percentage points to 39%***
- ***Excluding fair value gains, pre-tax profit surges 74% to S$13.3 million***
- ***Strong progress billings of S$817.2 million[2], the profits of which will be recognised from 3Q2012 to FY2016***
- ***Replenishes landbank, comprising freehold sites, with approximate gross floor area of 272,026 sq ft for development***
- ***Healthy balance sheet with cash and cash equivalents of S$224.7 million***
- ***Declares its first interim dividend since IPO in 2008 of 0.67 SGD cents per share***

Financial Highlights:

S$'million	2Q2012	2Q2011	Change	1H2012	1H2011	Change
Revenue	52.7	46.7	13%	90.8	97.1	-6%
Gross Profit	20.5	15.5	33%	37.2	31.7	17%
Gross Profit Margin	39%	33%	6 ppt	41%	33%	8 ppt
Profit before Tax (excluding fair value gains)	13.3	7.6	74%	24.4	18.9	29%
Profit before Tax	17.7	17.2	3%	28.8	28.5	1%
Profit After Tax	17.7	16.5[3]	8%	26.8	26.5[3]	1%
Earnings per share (SGD cents)	1.86	1.73[3,4]	8%	2.80	2.78[3,4]	1%

50 East Coast Road, #03-11 Roxy Square Shopping Centre, Singapore 428769
Tel: (65) 6440 9878 Fax: (65) 6440 9123 RCB: 196700135Z
Email: info@roxypacific.com.sg Website: www.roxypacific.com.sg
A member of Roxy-Pacific Group

	As at June 30, 2012	As at Dec 31, 2011	Change			
Net Asset Value per share (SGD cents)	**23.91**	**22.44**	**7%**	**-**	**-**	**-**
ANAV per share (SGD cents)[1]	**60.18**	**58.49**	**3%**	**-**	**-**	**-**
Net Debt to ANAV (times)[1]	**0.32**	**0.45**	**-29%**			
Cash and Cash Equivalents	**224.7**	**228.2**	**-2%**	**-**	**-**	**-**

[1] *The fair value of Grand Mercure Roxy Hotel was estimated to be S$401.5 million as at June 30, 2012 and December 31, 2011)*
[2] *Based on Option to Purchase granted up to August 1, 2012.*
[3] *Adjusted due to the adoption of Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets*
[4] *Adjusted for bonus issue of shares based on one bonus share for every two existing shares.*

Singapore, August 2, 2012 – Roxy-Pacific Holdings Limited ("Roxy-Pacific" or the "Group"), a homegrown specialty property and hospitality group, today reported net profit growth of 8% to S$17.7 million for the second quarter ending June 30, 2012 ("2Q2012"). This was achieved on the back of a 13% increase in topline to S$52.7 million in 2Q2012 from S$46.7 million in the quarter ending June 30, 2011 ("2Q2011"). The increase in turnover was mainly due to higher revenue from the Property Development and Hotel Ownership segments. The Group's gross profit margin also improved by 6 percentage points to 39% on the back of an increase in gross profit margins from Property Development and Property Investment segments.

Excluding fair value gains, the Group's pre-tax profits surged 74% from S$7.6 million in 2Q2011 to S$13.3 million in 2Q2012.

Said Mr Teo Hong Lim, Executive Chairman and CEO of Roxy-Pacific: "We are pleased that the Group continued to achieve a second consecutive quarter of steady performance from our balanced business mix.

"Our landbank has been rejuvenated with our recent acquisitions of the freehold sites at 2 & 4 Lew Lian Vale, 334 Pasir Panjang Singapore, 14 Adis Road and 211 – 223A Pasir Panjang Road for residential apartment development. This will put us on a firm grounding to navigate forward."

The freehold residential sites, 2 & 4 Lew Lian Vale, 334 Pasir Panjang Singapore, 14 Adis Road and 211 – 223A Pasir Panjang Road are currently known as Jade Towers, Westvale Condominium, Sophia Mansions and Harbour View Gardens respectively. The total attributable gross floor area is 272,026 sq ft.

Performance Review

For the Group's Property Development segment, revenue increased 18% from S$33.9 million in 2Q2011 to S$39.9 million in 2Q2012. The increase was mostly due to the recognition of revenue from Spottiswoode 18 and Space@Kovan in 2Q2012. In comparison, there was no recognition of revenue from these two projects in the previous corresponding quarter. During the current quarter, the Group recognised revenue from five projects, namely, Nova 88, Studios@Tembeling, Jupiter 18, Spottiswoode 18 and Space@Kovan. The Temporary Occupation Permits for Nova 88 and Studios@Tembeling were obtained in April 2012 and July 2012 respectively. Property Development segment accounted for 76% of the Group's revenue in 2Q2012.

Revenue from the Hotel Ownership segment, which contributed 23% to the Group's turnover, increased 3% from S$12.0 million in 2Q2011 to S$12.4 million in 2Q2012. The hotel's average occupancy rate was 90.7% in 2Q2012 as compared to 94.3% in 2Q2011, whilst average room rate increased 7% to S$199.8 in 2Q2012. Overall, the Group's revenue per available room ("RevPar") increased by 3% from S$175.4 in 2Q2011 to S$181.2 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$0.4 million in 2Q2012 as compared to S$0.8 million in 2Q2011. This segment made up the remaining 1% of the Group's revenue in 2Q2012.

The Group's gross profit margin improvement was driven by the Property Development and Property Investment segments. For the Property Development segment, margin was up 10 percentage points from 19% in 2Q2011 to 29% in 2Q2012 due to the recognition of profits from development projects with higher profit margin in this quarter. Gross profit margin for the Property Investment segment rose 6 percentage points to 77%.

For the six months ended June 30, 2012 ("1H2012"), the Group registered a 6% decrease in revenue to S$90.8 million from S$97.1 million in the six months ended June 30, 2011 ("1H2011") 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 an 8% increase in revenue due to higher RevPar. Excluding fair value gains, the Group's pre-tax profits improved by 29% from S$18.9 million in 1H2011 to S$24.4 million. The Group's profit after taxation increased by 1% to S$26.7 million.

As at June 30, 2012, the Group remains well positioned with healthy balance sheet and strong cash and cash equivalents of S$224.7 million.

Dividend

In view of the Group's healthy balance sheet as well as the strong financial results, and to reward its shareholders for their continuous support, the Board has decided to declare its first interim dividend (one-tier tax exempt) since its IPO in 2008 of 0.67 SGD cent per share. This translates to a dividend payout ratio of 24% of the Group's net profit attributable to shareholders for 1H2012.

Outlook

The economic outlook remains challenging. According to advance estimates by Ministry of Trade and Industry, the Singapore economy contracted by 1.1% in 2Q2012 on a quarter-on-quarter seasonally adjusted annualised basis, compared to the 9.4% expansion in the preceding quarter. However, on a year-on-year basis, the economy continued to grow at a modest pace of 1.9%, following the 1.4% growth on the previous quarter. Based on the latest real estate statistics released by Urban Redevelopment Authority (URA) on July 27, 2012, the overall prices of private residential property increased by 0.4% in 2Q2012, compared to a 0.1% decline in the previous quarter.

Added Mr Teo: “As of August 1, 2012, the Group has a balance amount of attributable progress billings of approximately S$817.2 million, the profits of which will be recognised from 3Q2012 to FY2016. This is more than six times the property development revenue of S$132.6 million recorded in FY2011. The Group continues to enjoy a healthy cashflow with high earnings visibility. Coupled with a good landbank, this will put us on a firm ground to navigate forward.”

The Singapore Tourism Board (“STB”) has forecasted that Singapore could enjoy S$23.0 billion to S$24.0 billion in tourism receipts and 13.5 million to 14.5 million visitor arrivals this year. Based on its latest tourism report released on July 17, 2012, gazetted hotel room revenue grew 6% year on year to hit S$0.6 billion.

“Singapore’s overall hotel industry has been boosted by an increase in leisure traffic from China and business traffic from India. We believe that demand for the hotel rooms should continue to be strong in the coming quarters. With our hotel located in close proximity to the Integrated Resort and business district, we will continue to ride on this positive tourism momentum.” 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 April 2012, the Group acquired Jade Towers, at 2 and 4 Lew Lian Vale. The site has a total land area of 92,412 sq ft and an existing plot ratio of 1.425. The Group also acquired Westvale Condominium in June 2012. The property, located at 334 Pasir Panjang Road, has a total land area of 62,710 sq ft and an existing plot ratio of 1.4 for residential apartment development. In July 2012, the Group had acquired Sophia Mansions at 14 Adis Road and Harbour View Gardens at 211 – 223A Pasir Panjang Road. Sophia Mansions has a total land area of 17,545 sq ft and an existing plot ratio of 2.1 for residential apartment development, whilst Harbour View Gardens has a total land area of 30,745 sq ft and an existing plot ratio of 1.4 for residential apartment development. All four acquisitions are freehold residential sites.

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 52 retail shops at The Roxy Square Shopping Centre.

ISSUED ON BEHALF OF	:	Roxy-Pacific Holdings Limited
BY	:	Citigate Dewe Rogerson, i.MAGE Pte Ltd 1 Raffles Place #26-02 One Raffles Place SINGAPORE 048616
CONTACT	:	Ms Dolores Phua / Ms Pearl Lam at telephone
DURING OFFICE HOURS	:	6534-5122 (Office)
AFTER OFFICE HOURS	:	9750-8237 / 9781-3518 (Handphone)
EMAIL	:	dolores.phua@citigatedrimage.com pearl.lam@citigatedriamge.com

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